



STATE OF IOWA
MASTER AGREEMENT

MA# 005 CT2795 X 5

EFFECTIVE BEGIN DATE: 05-31-2002
EXPIRATION DATE: 06-30-2007
PAGE: 1 of 4

BUYER : ASHLEY SUPER
ashley.super@iowa.gov
515-281-7073

FOB

PAYMENT TERMS (%): DAYS:

VENDOR:

Microsoft Licensing Gp
6100 Neil Rd Ste 210

Reno, NV 89511-1137
USA

VENDOR CONTACT:

No Contact Specified

PHONE: 515 999-9999 EXT:

EMAIL:

VENDOR #: 91114444200

DESCRIPTION OF ITEMS CONTRACTED

ENTERPRISE AGREEMENT WITH MICROSOFT per attached.

Sole Source Microsoft State Enterprise Agreement (EA) provides access to most recent product versions with simplified license tracking, reduced risks of license non-compliance and associated costs; additional discount off Select Agreement Prices Per CT2792; and software copies for training, evaluation and back-up.

Enrollments and ALL Product Orders / Transactions are to go through the Large Account Reseller (LAR), on Contract CT2979.

Price Level D.

**** PLACE ALL ORDERS THROUGH MA CT2979 with Software Spectrum, Inc.****

For assistance contact:

Adam Wolfe

Cell: (314) 482-7357

Phone: (314) 994-1835

adwolfe@microsoft.com

Web: <http://www.microsoft.com/government>

RENEWAL PERIODS

FROM 07-01-2005 TO 06-30-2006

FROM 07-01-2006 TO 06-30-2007

FROM 07-01-2007 TO 06-30-2008

FROM 07-01-2008 TO 06-30-2009

FROM 07-01-2009 TO 06-30-2010

FROM 07-01-2010 TO 06-30-2011

THRESHOLDS

MINIMUM ORDER AMOUNT:

MAXIMUM ORDER AMOUNT:

NOT TO EXCEED AMOUNT:

AUTHORIZED DEPARTMENT

ALL

SUB Political Sub-divisions

TOTAL \$0.00

VENDOR:

APPROVED BY:

THIS MA IS SUBJECT TO THE TERMS AND
CONDITIONS ATTACHED HERETO.
PLEASE SEE ATTACHMENTS FOR
FURTHER DESCRIPTIONS.



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LINE NO.	QUANTITY / SERVICE DATES	UNIT	COMMODITY / DESCRIPTION	UNIT COST / PRICE OF SERVICE
1	0.00000		209	\$0.000000
				\$0.000000
			COMPUTER SOFTWARE FOR MINI AND MAINFRAME COMPUTERS (PREPROGR	
			*** Place order against CT2979***	



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TERMS AND CONDITIONS

Remedies upon Default

In any case where the vendor has failed to deliver or has delivered non-conforming goods and/or services, the State shall provide a cure notice. The notice to cure shall state the maximum length of time the vendor has to cure. If after the time period stated in the notice to cure has passed, the vendor continues to be in default, the State may procure goods and/or services in substitution from another source and charge the difference between the contracted price and the market price to the defaulting vendor. The State's Attorney General shall be requested to make collection from the defaulting vendor.

Force Majeure

Force majeure includes acts of God, war, civil disturbance and any other causes which are beyond the control and anticipation of the party affected and which, by the exercise of reasonable diligence, the party was unable to anticipate or prevent. These provisions of force majeure also apply to subcontractors or suppliers of the Vendor. Force majeure does not include financial difficulties of the Vendor or any associated company of the Vendor, or claims or court orders that restrict the Vendor's ability to deliver the goods or services contemplated by this Agreement. Neither the Vendor nor the State shall be liable to the other for any delay or failure of performance of this Agreement caused by a force majeure, and not as a result of the fault or negligence of a party.

Subcontractors

The successful vendor shall be responsible for all acts and performance of any subcontractor or secondary supplier that the successful vendor may engage for the completion of any contract with the State. A delay that results from a subcontractor's conduct, negligence or failure to perform shall not exempt the vendor from default remedies. The successful vendor shall be responsible for payment to all subcontractors and all other third parties.

Termination-Non-Appropriation

Notwithstanding any other provision of this contract, if funds anticipated for the continued fulfillment of this contract are at any time not forthcoming or insufficient, either through the failure of the State to appropriate funds, discontinuance or material alteration of the program for which funds were provided, then the State shall have the right to terminate this contract without penalty by giving not less than thirty (30) days written notice documenting the lack of funding, discontinuance or program alteration.

Immunity of State/Fed Agencies

The vendor shall defend and hold harmless the State and Federal funding source for the State of Iowa from liability arising from the vendor's performance of this contract and the vendor's activities with subcontracted and all other third parties.

Assignment

Vendors may not assign contracts or purchase orders to any party (including financial institutions) without written permission of the General Services Enterprise - Purchasing.

Anti-Trust Assignment

For good cause and as consideration for executing this purchase order, the vendor, through its duly authorized agent, conveys, sells, assigns, and transfers to the State of Iowa all rights, title and interest in and to all causes of action it may now or hereafter acquire under the anti-trust laws of the United States and the State of Iowa, relating to the particular goods or services purchased or acquired by the State of Iowa pursuant to the using State of Iowa agency.

Delivery and Acceptance

When an award has been made to a vendor and the purchase order issued, deliveries are to be made in the following manner.

- A. Deliveries - All deliveries are to be made only to the point specified on the purchase order. If delivery is made to any other point, it shall be the responsibility of the vendor to promptly reship to the correct location. Failure to deliver procured goods on time may result in cancellation of an order or termination of a contract at the option of the State.
- B. Delivery Charges - All delivery charges should be to the account of the vendor whenever possible. If not, all delivery charges should be prepaid by vendor and added to the invoice.
- C. Notice of Rejection - The nature of any rejections of a shipment, based on apparent deficiencies disclosed by ordinary methods of inspection, will be given by the receiving agency to the vendor and carrier within a reasonable time after delivery of the item, with a copy of this notice to the General Services Enterprise - Purchasing. Notice of latent deficiencies which would make items unsatisfactory for the purpose intended may be given by the State of Iowa at any time after acceptance.

Delivery and Acceptance (cont)

- D. Disposition of Rejected item - The vendor must remove at the vendor's expense any item rejected by the State. If the vendor fails to remove that rejected item, the State may dispose of the item by offering the same for sale, deduct any accrued expense and remit the balance to the vendor.
- E. Testing After Delivery - Laboratory analysis of an item or other means of testing may be required after delivery. In such cases, vendors will be notified in writing that a special test is being made and that payment will be withheld until completion of the testing process.

Title to Goods

The vendor warrants that the goods purchased hereunder are free from all liens, claims or encumbrances.

Indemnification

To the extent that goods are not manufactured in accordance with the State's design, the vendor shall defend, indemnify and hold harmless the State of Iowa, the State's assignees, and other users of the goods from and against any claim of infringement of any Letter Patent, Trade Names, Trademark, Copyright or Trade Secrets by reason of sale or use of any articles purchased hereunder. The State shall promptly notify the vendor of any such claim.

Nondiscrimination

The vendor is subject to and must comply with all federal and state requirements concerning fair employment and will not discriminate between or among them by reason of race, color, religion, sex, national origin or physical handicap.

Warranty

The vendor expressly warrants that all goods supplied shall be merchantable in accordance with the Uniform Commercial Code, Section 2-314 and the Iowa Code, Section 554.2314.

Taxes

The State of Iowa is exempt from the payment of Iowa sales tax, motor vehicle fuel tax and any other Iowa tax that may be applied to a specified commodity and/or service. Contractors performing construction activities are required to pay state sales tax on the cost of materials. The Iowa Department of Revenue exemption letter will be furnished to a vendor upon request.

Hazardous Material



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All packaging, transportation, and handling of hazardous materials shall be in accordance with applicable federal and state regulations including, but not limited to, the Material Safety Data Sheet provision of O.S.H.A. Hazard Communication Standard 29CFR 1910.1200, and Iowa Administrative Code, Chapter 567.

Public Records

The laws of the State of Iowa require procurement records to be made public unless exempted by the Code of Iowa.

Miscellaneous

The terms and provisions of this contract shall be construed in accordance with the laws of the State of Iowa. Any and all litigation or actions commenced in connection with this contract shall be brought in Des Moines, Iowa, in Polk County District Court for the State of Iowa. If however, jurisdiction is not proper in Polk County District Court, the action shall only be brought in the United States District Court for the Southern District of Iowa, Central Division, providing that jurisdiction is proper in that forum. This provision shall not be construed as waiving any immunity to suit or liability, which may be available to the State of Iowa.

If any provision of this contract is held to be invalid or unenforceable, the remainder shall be valid and enforceable.

Records Retention

The vendor shall maintain books, records, and documents which sufficiently and properly document and calculate all charges billed to the State of Iowa throughout the term of this Agreement for a period of at least five (5) years following the date of final payment or completion of any required audit, whichever is later. The vendor shall at, no charge, permit the Auditor of the State of Iowa, or any authorized representative of the State (or where federal funds are involved, the Comptroller General of the United States or any other authorized representative of the United States government) to access and examine, audit, excerpt and transcribe any directly pertinent books, documents, papers, electronic or optically stored and created records, or other records of the vendor relating to orders, invoices, or payments documentation or materials pertaining to this Agreement.

Independent Contractor

The vendor is an independent contractor performing services for the State of Iowa, and as such shall not hold itself out as an employee or agent of the State.

Performance Monitoring

For all service contracts, the requirements of Iowa Code sections 8.47 shall be incorporated into final terms and conditions of the contract.

Confidentiality

Each party may have access to confidential information of the other party to the extent necessary to carry out their responsibilities under the Agreement and Software License Agreement. Such confidential information shall, at all times, remain the property of the party disclosing the confidential information. Each party shall preserve the confidentiality of the confidential information disclosed or furnished by the other party, and shall maintain procedures for safeguarding such confidential information. Each party shall accept responsibility for providing adequate supervision and training to its agents, employees and any approved contractors and subcontractors to ensure compliance with the terms of this Agreement.

Works Made for Hire

All information, reports, studies, flow charts, diagrams, and other tangible and intangible material of any nature, whatsoever, produced by the vendor for delivery to the State during the course of this engagement and all copies of any of the foregoing shall be the sole and exclusive property of the State, and all such material and all copies shall be deemed "works made for hire" of which the State shall be deemed the author.

To the extent that the materials are not deemed "works made for hire", the vendor hereby irrevocably grants, assigns, transfers, and sets over to the State all legal and equitable right, title, and interest of any kind, nature or description in and to the materials and the vendor shall be entitled to make absolutely no use of any of the materials except as may be expressly permitted in this Agreement.

Vendor's Property

Notwithstanding provisions of "works made for hire", the vendor shall own all of its pre-existing methods, techniques, and processes, including software and documentation, that it brings to this engagement and shall own all enhancements to these methods, techniques and processes, including software and documentation, that are developed during the course of this engagement ("Vendor's Property") and (b) the vendor shall have the right to retain copies of all materials referred to in "works made for hire" in its files evidencing its services for the Information Technology Enterprise. The vendor agrees to grant the State/ITE a royalty-free, nonexclusive, nontransferable license to use, duplicate and disclose the Vendor's Property for the purposes contemplated by this Agreement.

N60

NET 60 DAYS

Microsoft®

Licensing, GP

MICROSOFT LICENSING, GP
6100 Neil Road, Suite 210
Reno, NV 89511-1137
United States of America

Phone: (775) 823-5600
Fax: (775) 826-7287

March 2, 2006

RECEIVED
06 MAR 13 AM 9:15
G.S. PURCHASING
IOWA

Program:	Enterprise 6.1
Enrollment Number:	7105741 3606741 5378207 4333777 3426507 8365347 5127467 3452578 4965098 8213008 3154868 5586989
Enrollment effective:	Various
Master Number:	01E60947
Master Effective:	6/1/2002
Master End Date:	8/31/2008
MBA:	N/A

State of Iowa
Iowa Department of General Services
Hoover State Office Bldg.
Level A
Des Moines, IA 50319-0105

Dear Ashley Super,

Thank you for choosing Microsoft Enterprise. Your Enrollment Agreement has been revised due to a change of LAR effective 3/29/2006. Your New LAR is: Software Spectrum

We would like to remind you that your Enrollment Agreement is subject to the terms and conditions of the Master Agreement.

If you have any questions, please contact your local Large Account Reseller.

Sincerely,

MICROSOFT LICENSING, GP Worldwide Volume Licensing Operations



ENTERPRISE AGREEMENT

Microsoft **Change of Reseller or Software Advisor**

Agreement number

01E60947

Date of Notice

2/20/2006

This notice of change in reseller or software advisor is provided according to your agreement identified above. This notice documents the change of a reseller or software advisor for the enrollment(s) identified below. Send the completed and signed form to the newly appointed Reseller/Software Advisor who will sign and submit to Microsoft.

By signing below, you represent and agree that:

- You have confirmed that (a) the newly appointed reseller is approved to offer Microsoft Volume Licensing products, or (b) the newly appointed software advisor is approved to offer services to assist in the acquisition of Microsoft Volume Licensing products.
- The change in reseller/ software advisor will take effect on the date it is executed by us.
- You must notify us and the former reseller/software advisor in writing at least 30 days prior to the date the change is to take effect.
- For changes of reseller, all amounts due under the enrollment before the effective date of the change will be paid to the previous reseller. All amounts due under the enrollment on or after the effective date of the change will be paid to the newly appointed reseller.
- You are responsible for working out all arrangements related to this change with both the previous reseller/software advisor and the newly appointed reseller/software advisor, and you are responsible for ensuring all obligations to the previous reseller/software advisor are met.
- A delay may occur in recording this change, from receipt of this notice to the date of the change, and you agree to hold Microsoft harmless from any disputes arising out of any payment(s) made to an incorrect reseller as a result of this reseller change.
- Other sections of your agreement and/or enrollment may be affected by this change if you have appointed your reseller or software advisor to other portions of your contract such as the media ship to, notices, etc. To change these in your contract, complete a "Contract Information ChangeRequest" available through your reseller or software advisor.

Customer	Contracting Microsoft Affiliate
Name of Entity State of Iowa	Microsoft Licensing, GP
Signature 	Signature 
Printed Name Debbie O'Leary	Printed Name Joylene Hill
Printed Title Administrator, DAS GSE	Printed Title Contract Administrator
Signature Date 2/21/06	Signature Date (date Microsoft affiliate countersigns) MAR 07 2006
	Effective Date (may be different than our signature date) 29-Mar-06

Identify the enrollment and purchase order below. If you have multiple enrollments associated with the above agreement and the previous reseller/software advisor is the same on all enrollments, and you wish to change all enrollments to the newly appointed reseller, please identify the additional enrollments with their associated Purchase Order below.

Enrollment number	7105741□	Customer PO Number	136352 -a
Enrollment number	3606741□	Customer PO Number	136352a -a
Enrollment number	5378207□	Customer PO Number	129623 -a
Enrollment number	4333777□	Customer PO Number	130117 -a
Enrollment number	3426507□	Customer PO Number	150016a -a
Enrollment number	8365347□	Customer PO Number	139487 -a

SEE ATTACHED

R/B

Previous Reseller/Software Advisor Information

Identify your previous reseller/software advisor below.

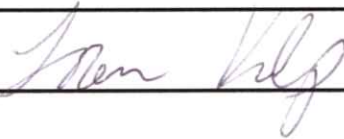
Software Advisor Company Name: ASAP Software Express
Street Address: 850 Ashbury Dr.
City and State / Province and Postal Code: Buffalo Grove, IL 60089
Country: USA
Contact Name: Lynn Tumen
Phone: 800-883-3277
Fax: 847-465-3277
Email Address: ltumen@asap.com

Newly Appointed Reseller/Software Advisor Information

Identify your newly appointed reseller/software advisor and have them acknowledge this change by signing below.

Software Advisor Company Name:	
Software Spectrum	
Street Address:	
E 22721 Mission Ave	
City and State / Province and Postal Code:	
Liberty Lake, WA 99019	
Country:	
US	
Contact Name:	
Loren Kilcup	
Phone:	
509-742-2327	
Fax:	
720-567-0125	
Email Address:	Spectrummicrosoftdesk-NA@ softwarespectrum.com

The undersigned confirms that the Reseller/Software Advisor information is correct.

Name of Software Advisor	
Software Spectrum	
Signature	
Printed Name	
Loren Kilcup	
Printed Title	
Contract Administrator	
Date	2-23-2006

For Select Agreement customers only:

License and Software Assurance (or Software Assurance) (If known, please complete; otherwise, Microsoft Licensing, GP will complete.)

Please check the box that indicates how your License and Software Assurance or Software Assurance payments, if any, were defined.

- ☐ Payment Option 1: Neither License and Software Assurance nor Software Assurance was ordered under any enrollment(s).
- ☐ Payment Option 2: All License and Software Assurance or Software Assurance ordered to date under the enrollment(s) was prepaid through the previous reseller.
- ☐ Payment Option 3: All outstanding annual payment(s) for License and Software Assurance, or Software Assurance ordered under the enrollment(s) should be billed to the newly appointed reseller at the beginning of the 13th or 25th month of the Select Agreement.

To be completed by Customer:

Reason(s) for submitting this Change of Reseller/Software Advisor request.

- ☐ Previous reseller/software advisor no longer Microsoft authorized
- ☐ Additional services provided by newly appointed reseller/software advisor
- ☐ Consolidation of license purchases through newly appointed reseller
- ☐ Favorable pricing through newly appointed reseller
- ☐ Customer satisfaction – previous reseller/software advisor order inaccuracies
- ☐ Customer satisfaction – previous reseller/software advisor slow response time
- ☐ Customer satisfaction – previous reseller/software advisor incorrect agreement information
- ☐ Customer satisfaction –previous reseller/software advisor account manager issues
- ☐ Customer satisfaction – previous reseller/software advisor overall poor performance
- ☐ Prefer licensing purchase options through multiple resellers

☒ Other _____
(if Other is checked, must provide a reason)

Additional comments and concerns:

Result of Required Competitive Selection Process for State Software COTS Software

Attached to COCP
Enterprise Agreement 01E60947

Enrollment Number	PO Number
5378207	129623
<u>5127467</u>	135735 - a
<u>3452578</u>	130060-JB - a
<u>4965098</u>	129798 - a
<u>8213008</u>	302046 - a
<u>3154868</u>	131458 - a
<u>5586989</u>	135458 - a

PR



Microsoft State and Local Government

Enterprise **Agreement – Amendment 002**

Enterprise Agreement number
Microsoft affiliate to complete

01E60947

Microsoft Business Agreement number
(if applicable)
Reseller or software advisor to complete

N/A

Amendment ID

CTM-

000-nancycal-
S0040

This amends the Microsoft State and Local Government Enterprise Agreement identified above between the State of Iowa and Microsoft Licensing, GP. Any terms that are used but not defined in this amendment will have the same meanings as in the agreement.

I. Amendment.

Notwithstanding anything to the contrary in the agreement, enrollments signed on or after June 1, 2005 shall be invoiced at Microsoft Enterprise Level D price.

II. Effect of Amendment.

Except as specifically amended by this amendment, all provisions of the enrollment shall remain unchanged and in full force and effect. You must execute and return 2 copies of this amendment to the address below on or before June 20, 2005 in order for the terms and conditions of this amendment to be considered by Microsoft Licensing, GP.

This amendment is not legally binding until executed by Microsoft Licensing, GP and shall become effective on that date. When this amendment is fully executed, you will receive a confirming copy.

Microsoft Licensing, GP
Attn: Dept. 551, Volume Licensing
6100 Neil Road, Suite 210
Reno, NV 89511-1137

Customer	Contracting Microsoft Affiliate
Name State of Iowa	Microsoft Licensing, GP
Signature <i>Deborah O'Leary</i>	Signature <i>Joylene Hill</i>
Printed Name Deborah O'Leary	Printed Name Joylene Hill
Printed Title Bureau Chief	Printed Title Contract Administrator
Signature Date 6/9/05	Effective Date JUN 17 2005

Prepared by: Nancy Call, Licensing Specialist



MICROSOFT LICENSING, GP
Dept. 551-Volume Licensing
6100 Neil Road, Suite 210
Reno, NV 89511-1137
United States of America

Phone: (775) 823-5600
Fax: (775) 826-9383

June 17, 2005

Program:	Enterprise 6.0
Master Number:	01E60947
Master Effective:	7/18/2002
Master End Date:	5/31/2007
Large Account Reseller:	ASAP Software

State of Iowa
Iowa Department of General Services
Hoover State Office Bldg.
Level A
Des Moines, IA 50319-0105

Dear Pat Lantz,

Thank you for choosing Microsoft Enterprise. Your Microsoft Enterprise Master, 01E60947, has been amended due to **change of terms and conditions**. This amendment was effective on 6/17/2005.

We would like to remind you that your Enterprise Master and Enrollment Agreement is subject to the terms and conditions of the Microsoft Business Agreement.

If you have any questions, please contact your local Large Account Reseller.

Sincerely,

MICROSOFT LICENSING, GP Worldwide Volume Licensing Operations



State of Iowa
Department of General Services
Purchasing Division
Des Moines, Iowa 50319

DEC 22, 2003

CONTRACT AGREEMENT

No. CT2795

SHORT FORM CONTRACT

Page 1 of 2

Vendor

MICROSOFT CORPORATION
MICROSOFT ENTERPRISE SER
PO BOX 844510
DALLAS TX 75284-4510

Billing Number, Name and Address
GEN STATE OF IOWA
AGENCIES AND FACILITIES

CONTRACT PERIOD - Effective MAY 31, 2002

Terminates JUNE 30, 2004

THE DURATION OF THIS CONTRACT IS FROM MAY 31, 2002 TO
JUNE 30, 2004. IT MAY BE RENEWED FOR 2 ADDITIONAL YEARS ON AN
ANNUAL BASIS SUBJECT TO MUTUAL AGREEMENT BY BOTH PARTIES.

DESCRIPTION OF ITEMS CONTRACTED

MICROSOFT STATE ENTERPRISE AGREEMENT (EA) PROVIDES ACCESS TO
MOST RECENT PRODUCT VERSIONS WITH SIMPLIFIED LICENSE TRACKING,
REDUCED RISKS OF LICENSE NON-COMPLIANCE AND ASSOCIATED COSTS;
ADDITIONAL DISCOUNT OFF SELECT AGREEMENT PRICES PER CT2792;
AND SOFTWARE COPIES FOR TRAINING, EVALUATION AND BACK-UP.

ENROLLMENT AND ALL PRODUCT ORDERS ARE TO GO THROUGH THE LARGE
ACCOUNT RESELLER, ASAP SOFTWARE, ON CONTRACT CT2545.

OPEN EA ENROLLMENT PERIOD ENDS AUGUST 31, 2002
RENEWAL OF PREVIOUS ENROLLMENT EA PRICE: \$168.26
NEW ENROLLMENT EA PRICE: \$268.67 (REQUIRES 250 MINIMUM UNITS)

THE COMPLETE AGREEMENT CAN BE VIEWED AT THE DEPARTMENT OF GENERAL
SERVICES, HOOVER BUILDING, LEVEL A, DES MOINES, IOWA, 50319-0105.

CURRENT ENROLLMENTS:

GENERAL SERVICES ENTERPRISE, DAS #8815862 - 160 UNITS
CORRECTIONS, #4403943 - 1796 UNITS
JUDICIAL, #3515062 - 1635 UNITS
PUBLIC HEALTH, #9175162 - 446 UNITS
REVENUE AND FINANCE, INCL DAS FSE, #7066752 - 435 UNITS
VETERANS HOME, #2714643 - 367 UNITS
INFORMATION TECHNOLOGY ENTERPRISE, DAS #3933643 - 273 UNITS
GOVERNOR'S OFFICE, #3933643 - 37 UNITS
DEPT OF MANAGEMENT, #3933643 - 30 UNITS
DEPARTMENT OF MANAGEMENT - 30 UNITS
ELDER AFFAIRS; HUMAN RESOURCES ENTERPRISE, DAS; CORRECTIONS, 3RD
DISTRICT, SIOUX CITY - #6534963 - 143 UNITS
(EDUCATION INCLUDING IPTV, STATE LIBRARY AND VOC REHAB
ARE COVERED UNDER THE IOWA EDUCATION CONSORTIUM AGREEMENT)

AMENDMENT ONE DATED DECEMBER 2003 CHANGES:

PRICE LEVEL FROM B TO C
OPENS ENROLLMENT FOR ANOTHER ELEVEN (11) MONTHS

PRICING FIRM FOR 180 DAYS
FOB: DESTINATION
PAYMENT TERMS: N60
MINIMUM ORDER: 100 UNITS
EXTENDED TO POLITICAL SUBDIVISIONS

VENDOR CONTACT: MARTHA COMBS
VENDOR PHONE: 515-770-6318
VENDOR EMAIL: MCOMBS@MICROSOFT.COM
VENDOR I.D. NO.: 91114444200

PURCHASING CONTACT: ASHLEY SUPER
PURCHASING PHONE: 515-281-7073
PURCHASING FAX: 515-242-5974

LN	COMMODITY	UNIT COST	UNIT / DESCRIPTION
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1	20562	0.000000 EACH	SOFTWARE, DATA BASE MANAGEMENT
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Microsoft State and Local Government Enterprise Agreement – Amendment 001

Enterprise Agreement
number
Microsoft affiliate to complete



This amends the Microsoft State and Local Government Enterprise Agreement identified above between the **State of Iowa** and Microsoft Licensing, GP (the "agreement"). All terms used but not defined in this amendment will have the meanings assigned to such terms in the agreement.

I. Amendment.

1. Section 18g, **Entire Agreement**, is hereby amended and restated in its entirety as follows:

g. Entire agreement. The documents identified on the cover page to this agreement constitute the entire agreement concerning the subject matter and supersede any prior or contemporaneous communications. The terms of these documents control in the following order: (i) *Any cosigned amendment to this agreement*; (ii) these terms and conditions and the accompanying cover page (except under circumstances where an outsourcer enrollment is used, in which case the terms of the outsourcer enrollment control over these terms and conditions); (iii) the Product List; (iv) the product use rights; and (v) all other enrollments under this agreement. The terms of any purchase order or any general terms and conditions you or your affiliates maintain, other than those mandatory terms required by statute or regulation, do not apply. This agreement (except the product use rights and the Product List) can be changed only by an amendment signed by both parties.

2. Section 2a **Establishing price levels** and Section 2b **Deriving prices from price levels** are hereby removed from the agreement, and replaced in their entirety with a new Section 18(l), **Determination of reference prices**, as follows:

1. **Additional definitions. The following additional definitions shall apply to this Section 18(l):**

"Adjustment Multiplier" means, with respect to a product family on the second anniversary of the effective date of an enrollment for which it is determined, a number by which the initial annual reference price is multiplied in order to determine the reference price for the third annual installment payment, pursuant to the terms and conditions of Section 18(l);

"Aggregate Family Desktop Count" means, with respect to a particular product family as of a particular annual pricing date, the aggregate number of qualified desktops under all unexpired enrollments for which one or more products in such family are chosen as enterprise products as of such date, including both (i) the original qualified desktops Ordered under such unexpired enrollments, plus (ii) any additional qualified desktops added pursuant to true up Orders;

"Annual Pricing Date" means each of the following:

- (i) the effective date of this agreement (the "first annual pricing date");
- (ii) the first day of the eleventh (11th) full calendar month following such first annual pricing date (the "second annual pricing date"); and
- (iii) the first day of the calendar month that occurs every 12 months following the second annual pricing date, until the last enrollment executed hereunder expires or is otherwise terminated.

For example, if the first annual pricing date is December 1, 2003, then the second annual pricing date shall be November 1, 2004, and each subsequent annual pricing date shall occur on November 1 of each successive calendar year until the last enrollment hereunder expires or is otherwise terminated;

"Annual Price Level" means, with respect to a particular product family and as of a particular annual pricing period, the volume discount level, determined pursuant to the terms and conditions of Section 18(l), by which each of the following shall be determined, based upon the aggregate family desktop count for such product family as of the annual pricing date upon which such the determination of such level for such period is made:

- (i) the initial annual reference prices of enterprise products in such product family for new enrollments with effective dates which occur in such annual pricing period; and*
- (ii) the adjustment multiplier with respect to enterprise products in such product family for previously-executed enrollments whose second anniversary falls in such annual pricing period;*

"Annual Pricing Period" means each period which:

- (i) begins on the first annual pricing date, or any anniversary thereof; and*
- (ii) ends twelve (12) full calendar months following the day it begins.*

For example, if the first annual pricing date is December 1, 2003, then: the first annual pricing period will run from December 1, 2003 to November 30, 2004; the second annual pricing period will run from December 1, 2004 to November 30, 2005; and so forth.

Note that, with the exception of the first annual pricing period, each annual pricing period begins one month following the annual pricing date upon which the annual price level for such period is determined pursuant to Section 18(l). Such one-month period is necessary for us to calculate the annual price levels and reference prices for the subsequent annual pricing period, and to implement adjustments, if any, to the reference prices of third year installment payments for enrollments whose second anniversary falls in such subsequent period.

"CAL Family" means any of the following client access license ("CAL") products, when such products are chosen as enterprise products on an enrollment:

- (i) Microsoft Core CAL;*
- (ii) Microsoft Windows Server CAL;*
- (iii) Microsoft Exchange Server CAL;*
- (iv) Microsoft SQL Server CAL;*
- (v) Microsoft Systems Management Server CAL; or*
- (vi) Microsoft SharePoint Portal Server CAL;*

"Component Platform Product" means any of the following enterprise products:

- (i) Microsoft Office Professional;*
- (ii) Microsoft Office Standard;*
- (iii) Microsoft Windows XP Professional Operating System Upgrades; and*
- (iv) Microsoft Core CAL;*

"Ending Price Level" means, with respect to an enterprise product Ordered pursuant to a particular enrollment, the volume discount level used to determine the adjustment multipliers applied to the third year installments payment, second anniversary true up payment, and third anniversary true up payment, respectively, pursuant to the terms and conditions of Subsection 18(l)(4).

"Government EA Price List" means the Microsoft State and Local Government Enterprise Agreement Price List that is provided on a monthly basis to each reseller, which contains the reference prices for both enterprise products and additional products.

"Initial Annual Reference Price" means, with respect to an enterprise product Ordered pursuant to a particular enrollment, the annual per-desktop unit reference price for the first and second annual payments;

"Initial Desktop" means, with respect to any Enterprise Enrollment, the number of qualified desktops enrolled under such Enrollment as of its effective date;

"Initial Price Level" means, with respect to each enterprise product licensed pursuant to an enrollment executed hereunder, the volume discount level used to determine the initial annual reference price for such enterprise product;

"Microsoft Core Client Access License" and "Core CAL" means each of the following client access license products, when purchased together as a suite:

- (i) Windows CAL;
- (ii) Exchange CAL;
- (iii) SharePoint CAL; and
- (iv) SMS CAL;

"Non-Platform Enrollment" means any Enterprise Enrollment associated herewith which is not a Platform Enrollment;

"Non-Renewal Enrollment" means any enrollment executed hereunder that is not a renewal enrollment;

"Offer Deadline" means November 30, 2004. ;

"Office Family" means either of the following enterprise products: (i) Microsoft Office Professional; or (ii) Microsoft Office Standard;

"Open Enrollment Period" means the period which begins on the effective date of this agreement, and which ends on the Offer Deadline;

"Original True Up Reference Price" means, with respect to an enterprise product at the anniversary of an enrollment, the original per-additional-desktop unit reference price for the true up Order due at such anniversary, as determined at the effective date of such enrollment pursuant to Section 18(l);

"Participating Affiliate" means an eligible affiliate which executes an Enterprise Enrollment during the Open Enrollment Period;

"Platform Enrollment" means any enrollment executed hereunder for which each of the following is a chosen enterprise product:

- (i) either (a) Office Standard or (b) Office Professional; and
- (ii) Microsoft Windows Professional desktop operating system; and
- (iii) Core CAL;

"Post-Deadline Volume Level" means, with respect to a particular Product Family, the price level by which the reference prices for enterprise products in such Product Family, for Enterprise Enrollments executed after the Offer deadline, shall be determined as set forth in this Section 18(l);

"Pre-Deadline Volume Level" means, with respect to a particular Product Family, the price level by which the reference prices for enterprise products in such Product Family, for Enterprise Enrollments executed during the Open Enrollment Period, shall be determined as set forth in this Section 18(l);

"Product Family" means any of the following collections of enterprise products, as defined in this Section 18(l): (i) Office Family; (ii) Windows Family; and/or (iii) CAL Family;

"Post-Deadline Volume Level" means, with respect to a particular Product Family, the price level by which the reference prices for enterprise products in such Product Family, for Enterprise Enrollments executed after the Offer deadline, shall be determined as set forth in this Section 18(l);

"Renewal Enrollment" means an enrollment executed hereunder pursuant to which a renewal Order for enterprise products is made;

"Select Price List" means the Microsoft Select Agreement Price List that is provided on a monthly basis to each reseller, which contains the estimated retail prices for products made available pursuant to the Microsoft select program;

"Unexpired Enrollment" means, with respect to an annual pricing date, an enterprise enrollment under either (i) this agreement; or (ii) another Microsoft Enterprise Agreement to which either you or one of

your affiliates is party, provided that such enrollment shall not have expired or been terminated prior to such annual pricing date; and

"Windows Family" means the following enterprise product: Microsoft Windows XP Professional desktop operating system (or its successor).

2. Determination of pricing for additional products.

During the term of each enrollment executed hereunder, and provided that you are party to a Microsoft Select Agreement (or its successor) during such term, the volume discount level for each additional product Ordered pursuant to such enrollment shall be the volume discount level that corresponds to the applicable volume discount level for the product pool in which such product is available pursuant to such Microsoft Select Agreement. For example, if Microsoft Project, which is a member of the Applications pool, is Ordered as an additional product, and if, as of the date of such Order, the Select volume discount level for the Applications pool is "Level D," then the additional product reference price for such copy of Microsoft Project shall be determined according to the then-current Level D additional product price list.

Should you cease to be party to a Microsoft Select Agreement (or its successor) during the term of this Enterprise Agreement, then the volume discount level for each additional product in each annual pricing period shall be determined based upon such annual pricing period's aggregate family desktop count for the product family in which such additional product is contained, pursuant to Table 1 in Addendum A.

3. Determination of pricing for enterprise products.

(a) Annual price levels.

Following the Open Enrollment Period, for each product family and for each annual pricing period, we will determine an annual price level, pursuant to Table 1 in Addendum A, by matching the aggregate family desktop count for such family (as of the annual pricing date which immediately precedes such annual pricing period) with the column marked "Annual Price Level Name."

For example, the annual price level for the Office family during an annual pricing period that runs between December 1, 2005 and November 30, 2006, shall be determined according to Table 1 in Addendum A by counting the aggregate number of qualified desktops, in unexpired enrollments which contain Microsoft Office or Microsoft Office Professional as enterprise products, as of November 1, 2005.

(b) Establishing component product reference prices for new enrollments. The Government EA Price List provided to resellers generally contains reference prices for the following common enterprise products:

- Microsoft Office Professional;
- Microsoft Windows XP Professional Operating System Upgrades;
- Microsoft Core CAL; and
- Microsoft Desktop Professional (which is a suite composed of the preceding three component products, and for which the reference price is equal to the sum of the three component reference prices less the applicable platform discount).

For the purposes of the agreement, the Government EA Price List entry for Microsoft Desktop Professional shall not apply, since this section 18(l) provides an alternate and equivalent means by which the three component products thereof shall be priced. Rather, the components of Microsoft Desktop Professional shall be sold as separate line items to the reseller. This is necessary in order that the annual price levels which apply to each of the three product families which contain the components may be adjusted separately, as set forth below.

On each annual pricing date, we will establish a list of initial annual reference prices and original true up reference prices for enterprise products (collectively, "initial prices") for each of the most common / requested enterprise products, plus any other enterprise products for which you may have requested reference prices. We will provide your reseller(s) with such reference prices, and the corresponding confidential reseller costs, and will also provide you with such reference prices.

Such initial prices shall apply to all new enrollments signed during the annual pricing period which immediately follows such annual pricing date, but not thereafter, unless different initial prices are agreed upon in writing between us and an enrolled affiliate (or you) based upon certain exceptions to standard terms including (but not limited to) applied credits and/or uplifts for cost of money in deferred payment schedules.

Initial prices for each enterprise product shall be calculated, using the following formulas, using such product's standard license estimated retail price ("L") (except as noted in the following sentence) and one-year Software Assurance estimated retail price ("SA") pursuant to the Select Price List which is in effect as of the annual pricing date upon which the determination is being made. For the purposes of determining the value of "L" solely with respect to the Windows Professional Upgrade, sixty percent (60%) of the Select estimated retail price of such Upgrade shall be used. The Select volume discount level to be used for such L and SA price (level C, or D) shall be determined pursuant to Table 1 in Addendum A by matching the aggregate family desktop count for the applicable product family (as of the annual pricing date which immediately precedes such annual pricing period) with the column marked "EA / Select Price List Volume Level."

- (i) for orders of License & Software Assurance on an initial order made pursuant to a non-renewal enrollment, the initial annual reference price shall be calculated according to the following formula:

$\{ [L + (3 \times SA)] \times 0.85, \text{ divided by } 3 \}$, less an additional platform discount (if applicable) pursuant to the terms and conditions below governing such additional discounts.

- (ii) for orders of Software Assurance on an initial order made pursuant to a renewal enrollment, the initial annual reference price shall be calculated according to the following formula:

$SA \times 0.95$, less an additional platform discount (if applicable) pursuant to the terms and conditions below governing such additional discounts;

- (iii) for orders of License & Software Assurance on the first anniversary true up order made pursuant to either a renewal enrollment or a non-renewal enrollment, the original true up reference price shall be calculated according to the following formula:

$\{ L + (2.5 \times SA) \} \times 0.85$, less an additional platform discount (if applicable) pursuant to the terms and conditions below governing such additional discounts;

- (iv) for orders of License & Software Assurance on the second anniversary true up order made pursuant to either a renewal enrollment or a non-renewal enrollment, the original true up reference price shall be calculated according to the following formula:

$\{ L + (1.5 \times SA) \} \times 0.85$, less an additional platform discount (if applicable) pursuant to the terms and conditions below governing such additional discounts; and

- (v) for orders of License & Software Assurance on the third anniversary true up order made pursuant to either a renewal enrollment or a non-renewal enrollment, the original true up reference price shall be calculated according to the following formula:

$\{ L + (0.5 \times SA) \} \times 0.85$, less an additional platform discount (if applicable) pursuant to the terms and conditions below governing such additional discounts.

The results of each of the above calculations will be rounded to the nearest penny.

(c) Additional discounts applied to initial prices for components. After calculating initial prices for each component enterprise product pursuant to the above formulas, the following additional discounts may be applied to such prices, subject to the terms and conditions below:

- (i) A "platform discount" will be applied to component platform products (e.g. Microsoft Office Professional) Ordered pursuant to platform enrollments, but not to other enterprise products, if any (e.g. Microsoft SQL Client Access License), in such platform enrollments. Such platform discounts are as follows:

- 15% for initial Orders of License & Software Assurance on non-renewal enrollments;
- 5% for initial Orders (but not true up Orders) of Software Assurance for renewal enrollments; and
- 15% for true up Orders of License & Software Assurance for both renewal enrollments and non-renewal enrollments.

For example, if the initial annual reference price of a component product in a non-renewal platform enrollment, before the platform discount is applied, is \$100.00, the platform discount will be \$15.00, and the resulting initial annual reference price will be

$$\{ \$100.00 - \$15.00 \} = \$85.00.$$

The results of each of the above discount calculations will be rounded to the nearest penny. Such discounts will be provided so long as they are made generally available to all volume licensing customers. If the amount of such generally available discount is increased, decreased, or eliminated, such increase, decrease or elimination will apply to the annual pricing period which immediately follows such event.

Tables 4 and 5 in Addendum A show the initial annual reference prices and original true up reference prices that shall apply during the first annual pricing period. We (or your Large Account Reseller on our behalf) will provide you with new initial annual reference prices on or before the first day of each subsequent annual pricing period if price adjustments are to occur.

(d) Price adjustments for third annual installment and true up payments upon sustained change of annual price level.

The unit reference prices of the following payments (collectively, the "adjustable payments") are subject to change ("adjustment"), provided that the annual price level for a particular product family has increased or decreased, relative to the initial price level, as of both the first and second anniversaries of an enrollment:

- (i) the third annual installment payment for the qualified desktops Ordered pursuant to the initial Order;
- (ii) additional qualified desktops (if any) Ordered pursuant to the second anniversary true up Order; and
- (iii) additional qualified desktops (if any) Ordered pursuant to the third anniversary true up Order.

Such adjustment in unit reference price will be determined separately for each product family, pursuant to Tables 2 and 3 in Addendum A. The adjustment multiplier for each applicable product family on an enrollment is determined in such table by finding the intersection of (i) the column which corresponds to the initial price level, and (ii) the line which corresponds to the ending price level. The adjustment multiplier applicable to each product family will then be multiplied by the initial annual reference price for each applicable enterprise product in such product family, in order to determine the new reference prices for the adjustable payments.

For the purposes of this Subsection 18(1)(4), one annual price level is "higher" than another volume level if the minimum aggregate family desktop count requirement for such level is greater than that for the second level, and one annual price level is "lower" than another volume level if the minimum aggregate family desktop count requirement for such level is lower than that for the second level. For example, Level C is lower than Level D.

In the event that your annual price level becomes lower in one annual pricing period than in the previous year, we (or the reseller on our behalf) will send a written notice to you and each enrolled affiliate that executed an enrollment during the previous annual pricing period, advising you and such enrolled affiliate that a price increase may occur for the third and subsequent annual installment payments pursuant to its enrollment in the event that the subsequent annual price level has not increased to a level equal to or greater than the initial annual price level. Such notice will be delivered at least 12 months prior to the date upon which such third annual installment payment will become due.

The ending price level shall be determined for each product family on each enrollment according to the relationship between initial price level and the annual price levels for the first and second anniversaries, respectively, according to the following table:

Annual Price Level Criteria:			Examples with sample price levels:			
If the first anniversary price level is:	and the second anniversary price level is:	then the year three price level will be:	Initial Annual Price level	First Anniversary Annual Price Level	Second Anniversary Annual Price Level	Year Three Price Level
The same as the initial price level	Any level	The initial price level	C	C	Any Level	C
Higher than the initial price level	The same as the first anniversary price level	The first anniversary price level	C	D	D	D

Higher than the initial price level	The same as the initial price level	The initial price level	C	D	C	C
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(e) Special price level for enrollments executed during the Open Enrollment Period.

As an exception to the foregoing, the parties agree that the initial price level for each product family for the Open Enrollment Period shall be Level C. This allowance is based upon the parties' good faith estimate that the aggregate family desktop count in all product families will surpass 6,000 qualified desktops as of the Offer Deadline, and will remain above 6,000 beyond the third annual pricing date. For the purposes of calculating an end pricing level for such enrollments, the first anniversary price level and second anniversary price levels shall be determined pursuant to the normal terms of this Section 18(l) above.

(f) Special price level and adjustment calculations for enrollments in place prior to January 1, 2003:

As an exception to the foregoing, for the purposes of calculating an end pricing level for these enrollments, the first anniversary price level and second anniversary price levels shall be determined as follows. The initial price level will be considered to have been level B. The price level for the first annual pricing period will be considered to have been level C.

- If the aggregate family desktop count in a product family is less than 6,000 qualified desktops as of the Offer Deadline, no multipliers shall be applied to the third year payment, the second True Up price, or third True Up price for that product family, and the price level for year three shall remain unchanged for that product family.
- If the aggregate family desktop count in a product family is between 6,000 and 14,999 qualified desktops as of the Offer Deadline, then a multiplier of 0.819 shall be applied to the third year payment for that product family and its price level for year three shall be level C. A multiplier of 0.117 shall be applied to the second and third True Up prices for that product family.
- If the aggregate family desktop count in a product family is 15,000 or more qualified desktops as of the Offer Deadline is equal to level D, then a multiplier of 0.637 shall be applied to the third year payment for that product family and its price level for year three shall be level D. A multiplier of 0.146 shall be applied to the second and third True Up prices for that product family.

(g) Additional terms and conditions.

You acknowledge, on behalf of your enrolled affiliates, that the reference prices for the third annual payment of certain enrollments, along with true up payments due at their second and third anniversaries, respectively, may increase pursuant to the terms of this Section 18(l). It is recommended that affiliates not enter into enrollments hereunder unless (a) they are aware of such possibility that their price may increase as stated above; and (b) they anticipate that sufficient budget will be approved to cover such increased payment amount.

You acknowledge and agree that there may be certain instances in which the reference prices of certain enterprise products in certain enrollments executed by your affiliates, whether under this Enterprise Agreement or otherwise under a separate Enterprise Agreement or Enterprise Subscription agreement, may be adjusted in ways that vary from the adjustments agreed upon in this Section 18(l), pursuant to separate agreement between the enrolled affiliate and us. Such instances may include, but are not limited to, those enrollments: (i) that were executed prior to this enterprise agreement; (ii) that contain other enterprise products than those in the three product families defined herein; (iii) for which we negotiate a special payment schedule or ramped installment payments upon the condition that the reference price of such enrollment be uplifted to account for the time value of money; and (iv) for which a special price is negotiated to match the equivalent Microsoft Select estimated retail price for sufficient licenses, such as to account for unexpired Upgrade Advantage and/or Software Assurance.

Reference prices are provided only for the purpose of comparison. Actual pricing and payment terms will be determined by agreement between each enrolled affiliate and its chosen reseller. All adjustments to reference prices defined herein will correspond to a proportional adjustment we will make to the reseller's confidential cost.

You agree to assist us in making eligible affiliates aware of the general terms, conditions, and benefits of entering into an Enrollment, by participating, upon our request and as your schedule reasonably permits, in conference calls with such prospective Participating Affiliates, to discuss such terms, conditions, and benefits.

3. The following Addendum is hereby included in the Agreement as "Addendum A":

Addendum A

Table 1: Volume Level Determinations

Aggregate Family Desktop Count	Annual Price Level Name	EA / Select Price List Volume Level
250 - 14,999	Level C	Level C
15,000 - 39,999	Level D	Level D

Table 2: Adjustment Multipliers for 3rd year payments:

Ending Price Level		Initial Price Level	
		Level C	Level D
	Level C	1.000	1.070
	Level D	0.833	1.000

Table 3: Adjustment Multipliers for 2nd and 3rd Year True Up Payments:

Ending Price Level		Initial Price Level	
		Level C	Level D
	Level C	1.000	1.070
	Level D	0.923	1.000

Table 4: Initial Reference Prices for Enterprise Products included in Non-Platform Enrollments executed during the Open Enrollment period:

Product Description	Part Number (SKU)	Annual Component Reference Price (\$/Yr for 3 years) (USD)	Reference Unit True Up Price Year 1 (USD)	Reference Unit True Up Price Year 2 (USD)	Reference Unit True Up Price Year 3 (USD)
Office Win32 Listed Languages Lic/SA Pack MVL	021-05654	169.72	469.63	390.58	311.53
Office Win32 Listed Languages SA MVL	021-05655	88.35	See 021-05654	See 021-05654	See 021-05654
Office Pro Win32 Listed Languages Lic/SA Pack MVL	269-05924	204.57	566.10	470.90	375.70
Office Pro Win32 Listed Languages SA MVL	269-05925	106.40	See 269-05924	See 269-05924	See 269-05924
Windows XP Professional Listed Languages Upg/SA Pack MVL	E85-01013	61.48	164.90	125.80	86.70
Windows Professional Listed Languages SA MVL	E85-01014	43.70	See E85-01013	See E85-01013	See E85-01013

Core CAL Listed Languages Lic/SA Pack MVL Device CAL	W06-00020	83.02	231.20	195.50	159.80
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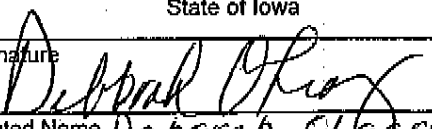
Table 5: Initial Reference Prices for Enterprise Products included in Platform Enrollments executed during the Open Enrollment period:

Product Description	Part Number (SKU)	Annual Component Reference Price (\$/yr for 3 years) With Platform Discount (USD)	Reference Unit Price Year 1 (USD)	Reference Unit Price Year 2 (USD)	Reference Unit Price Year 3 (USD)
Office Win32 Listed Languages Lic/SA Pack MVL	021-05654	144.26	399.18	331.99	264.80
Office Win32 Listed Languages SA MVL	021-05655	83.93	See 021-05654	See 021-05654	See 021-05654
Office Pro Win32 Listed Languages Lic/SA Pack MVL	269-05924	173.88	481.19	400.27	319.35
Office Pro Win32 Listed Languages SA MVL	269-05925	101.08	See 269-05924	See 269-05924	See 269-05924
Windows XP Professional Listed Languages Upg/SA Pack MVL	E85-01013	52.26	140.17	106.93	73.70
Windows Professional Listed Languages SA MVL	E85-01014	41.52	See E85-01013	See E85-01013	See E85-01013
Core CAL Listed Languages Lic/SA Pack MVL Device CAL	W06-00020	70.56	196.52	166.18	135.83

II. Effect of Amendment.

Except as specifically amended by this amendment, all provisions of the agreement shall remain unchanged and in full force and effect. You must execute and return 2 copies of this amendment to the address below on or before December 31, 2003 in order for the terms and conditions of this amendment to be considered by Microsoft Licensing, GP. This amendment is not legally binding until executed by Microsoft Licensing, GP and shall become effective on that date. When this amendment is fully executed, you will receive a confirming copy.

Microsoft Licensing, GP
Attn: Dept. 551, Volume Licensing
6100 Nell Road, Suite 210
Reno, NV 89511-1137

Customer	Contracting Microsoft Affiliate
Name State of Iowa	Microsoft Licensing, GP
Signature 	Signature
Printed Name Deborah Cleary Deborah Cleary	Printed Name
Printed Title Division Director	Printed Title
Signature Date 12/17/03	Effective Date

Prepared by: Heather Burton, Licensing Executive



Microsoft Enterprise **Agreement** – State and Local

(NOT FOR USE WITH MICROSOFT BUSINESS AGREEMENT)

Enterprise Agreement number
Microsoft affiliate to complete

This Microsoft Enterprise Agreement is entered into between the following entities as of the effective date identified below. Each party will notify the other in writing if any of the information in the following table changes.

Customer			
Name of Entity State of Iowa		Contact Name Ashley Super <small>(This person handles access to online information. This person also receives notices unless a different contact for notices is provided in the notices section below.)</small>	
Street Address c/o Iowa Department of General Services Hoover State Office Building, Level A		Contact E-mail Address Ashley.Super@ dgs.state. ia.us	
City Des Moines	State/Province Iowa	Phone 515-281-7073	
Country USA	Postal Code 50319-0105	Fax 515-242-5974	
Microsoft Account Manager Name Jane Thompson			
Contracting Microsoft Affiliate			
MSLI, GP - 6100 Neil Road, Suite 210 - Reno, Nevada USA 89511-1137 - Dept. 551, Volume Licensing			

If notices should be sent to someone or some place other than above, complete the relevant portions below:

Name of Entity State of Iowa		Contact Name Pat Lantz, Atty	
Street address Iowa Department of General Services Hoover State Office Bldg, Level A		Contact E-mail Address Patricia.Lantz@ dgs.state. ia.us	
City Des Moines, IA	State/Province	Phone 515-281-8388	
Country USA	Postal Code 50319-0105	Fax 515-242-5974	
Notices to Microsoft should be sent to: MSLI, GP 6100 Neil Road, Suite 210 Reno, Nevada USA 89511-1137 Dept. 551, Volume Licensing		Copies should be sent to: Microsoft Law and Corporate Affairs One Microsoft Way Redmond, WA 98052 USA Volume Licensing Group VLG-USA@Microsoft.com (425) 936-7329 fax	

This agreement consists of (1) this cover page, (2) the attached terms and conditions, (3) the Product List, (4) the product use rights applicable to products licensed under this agreement, and (5) any enrollment entered into under this agreement.

Effective date. If the first enrollment entered into under this agreement is given an effective date that is earlier than the date this agreement is signed by us, the effective date of this agreement will be that earlier date. Otherwise, this agreement will be effective on the date it is signed by us.

By signing below, the parties agree to be bound by the terms of this agreement, and you represent that the information you have provided on this cover page is accurate.

Customer	Contracting Microsoft affiliate
Name of Entity <i>State of Iowa</i>	MSLI, GP
Signature <i>P. Schroeder</i>	Signature
Printed Name <i>Patti Schroeder</i>	Printed Name
Printed Title <i>Deputy Director, DGS</i>	Printed Title
Signature Date <i>6/25/02</i>	Signature Date (date Microsoft affiliate countersigns)
	Effective Date (may be different than our signature date) <i>5/31/02</i>

Terms and Conditions

1. Definitions.

In this agreement, "you" means the entity that has entered into this agreement with us, and "we" or "us" means the Microsoft entity that has entered into this agreement or an enrollment. In addition, the following definitions apply:

"additional product" means any product other than an enterprise product that an enrolled affiliate chooses to license under its enrollment;

"affiliate" means (a) with regard to you, any government agency, department, instrumentality, division, unit or other office that is supervised by or is part of you, or which supervises you or of which you are a part; together with, as mandated by law, any county, borough, commonwealth, city, municipality, town, township, special purpose district, or other similar type of governmental instrumentality located within your jurisdiction and geographic boundaries, provided that a state and its affiliates shall not, for purposes of this definition, be considered to be affiliates of the federal government and its affiliates; and (b) with regard to us, any legal entity that we own, that owns us, or that is under common ownership with us;

"available" means, with respect to a product, that we have made licenses for that product available for ordering under the Enterprise Agreement program;

"enrolled affiliate" means an entity, either you or any one of your affiliates, that has entered into an enrollment under this agreement;

"enrollment" means the document that you or your affiliate submits under this agreement to sign up for the Enterprise Agreement program and make an initial selection of products;

"enterprise" means the enrolled affiliate and the affiliates it chooses on its enrollment to include in its enterprise;

"enterprise product" means any product that we designate as an enterprise product and that an enrolled affiliate chooses to license under its enrollment (enterprise products may only be licensed on an enterprise-wide basis under the Enterprise Agreement program);

"License" means any one of those offerings identified in the Product List (including standard licenses, and upgrades for desktop operating systems) that provides the right to run the version of the product for which it is ordered;

"L&SA" means a License and Software Assurance for any product ordered;

"order" means an order on a form that is acceptable to the reseller;

"product" means any product available to license as described on the Product List;

"Product List" means, with respect to any licensing program, the statement published by Microsoft from time to time that identifies the products that are or may be made available under each of the volume licensing programs, and identifies which products are available to Enterprise Agreement program customers and any product-specific conditions or limitations on the acquisition of licenses for those products;

"qualified desktop" means any personal desktop computer, portable computer, workstation or similar device that is used by or for the benefit of an enrolled affiliate or any affiliate included in its enterprise and that meets the minimum requirements for running any of the enterprise products. Qualified desktops do not include: (i) any computer that is designated as a server and not used as a personal computer, (ii) any system dedicated to run ONLY line-of-business software (e.g., an accounting or bookkeeping program used by an accountant, or a computer-aided design program used by an engineer or architect); or (iii) any system running an embedded operating system (e.g. Windows 9.x for embedded, Windows XP embedded);

"renewal order" means the order that an enrolled affiliate submits at the beginning of any renewal term to renew Software Assurance coverage for products previously ordered under its enrollment;

"reseller" means a large account reseller authorized by us to resell licenses in an enrolled affiliate's area under the Enterprise Agreement program;

"run" or "use" means to copy, install, use, access, display, run or otherwise interact with; and

"Software Assurance" means, for any underlying licensed product for which it is ordered, the right to upgrade to, and run, the latest version of that product that we make available during the covered period.

2. How the Enterprise Agreement program works.

The Enterprise Agreement program gives customers that wish to license one or more of Microsoft's platform products across their enterprise the means to ensure that their entire enterprise will be licensed. You and your affiliates can participate in this program by submitting one or more enrollments under this agreement. On the enrollment, the enrolled affiliate will designate the scope of its enterprise and make the initial selection of enterprise products and any additional products it wishes to license. Each enrollment must include at least one of those products that we make available to license as an enterprise product. We may reasonably refuse to accept an enrollment.

- a. Establishing price levels.** Each product is assigned to one of the following pools: applications, systems or servers. An enrolled affiliate's reference prices are based on the "price level" for which it qualifies in each individual product pool. Price levels are established separately for each enrollment as described in this subsection.

Product pools from which an enterprise product has been ordered. For each product pool from which an enrolled affiliate orders an enterprise product, the price level throughout the initial term of the enrollment for any enterprise products or additional products ordered from that pool will be the price level for which the enrolled affiliate qualifies based on its initial number of qualified desktops (the enrolled affiliate will be provided with a table in its enrollment to determine its initial price level).

Product pools from which no enterprise product has been ordered. For any product pool from which the enrolled affiliate does not order an enterprise product, the price level for additional products within that pool will be price level "A" throughout the term of the enrollment (including any renewals).

Renewal price levels. Price levels for pools from which an enterprise product has been ordered will be reset for each renewal term based upon the enrolled affiliate's total number of qualified desktops as of the date of the renewal order for that renewal term.

- b. Deriving prices from price levels.** The enrolled affiliate's reference prices are determined as follows.

For products covered by the Initial order. For each product covered by an enrolled affiliate's initial order, the enrolled affiliate's reference price for all copies of that product made at any time during the initial enrollment term (including copies ordered by true up as described in subsections 3(c) (Placing annual "true up" orders to account for additional desktops) and 4(c) (Placing annual "true up" orders to account for additional copies)) will be provided in the enrollment and will not change throughout the initial enrollment term.

For additional products added after the Initial order. For each new additional product first added after signing of the enrollment, the enrolled affiliate's reference price for all copies of that product made at any time during the initial enrollment term (including copies ordered by true up) will be that price (including the true up price) in effect for the enrolled affiliate's price level for that product as of the date of its first order for that product.

For products renewed in a renewal order. Prices are re-established at the beginning of each renewal term. For each enterprise product and each additional product being renewed, the

enrolled affiliate's renewal price for all copies of that product made during the renewal term (including copies ordered by true up) will be the price (including the true up price) in effect for the enrolled affiliate's renewal price level for that product as of the date of the renewal order.

For additional products added during a renewal term. For each new additional product first added during a renewal term, the enrolled affiliate's reference price for all copies of that product made at any time during that particular renewal term (including copies ordered by true up) will be the price (including the true up price) in effect for the enrolled affiliate's renewal price level in effect for that product as of the date of the enrolled affiliate's first order for that product.

How your enrolled affiliates acquire licenses. An enrolled affiliate will acquire its licenses by executing an enrollment under which it acquires its licenses through its chosen reseller. Orders under an enrollment will be made out to and submitted to the enrolled affiliate's reseller. We will invoice that reseller according to the terms in the applicable enrollment. While such enrollment will contain reference prices, the reseller and the enrolled affiliate will determine the enrolled affiliate's actual price and payment terms.

c. *Choosing and maintaining a reseller.*

Resellers. Each enrolled affiliate that signs an enrollment must choose and maintain a reseller in the enrolled affiliate's area. Resellers are authorized to resell our product licenses, but act independently and have no authority to bind us.

Change of reseller. If an entity ceases to be a reseller, the enrolled affiliate must choose a replacement. If an enrolled affiliate intends to change its reseller, a change will only be effected on the next anniversary of the enrollment effective date. To change a reseller, the enrolled affiliate must notify us and the former reseller in writing, on a form that we provide, at least 30 days prior to the anniversary on which the change is to take effect. In the case of a change of reseller, the enrolled affiliate is responsible for ensuring that all its obligations to the former reseller are met.

e. *Reporting country of use.* On each order (initial, subsequent, true up or renewal), an enrolled affiliate must report to us:

- **For enterprise products** – the countries where its qualified desktops covered by that order are located and the approximate number of such qualified desktops in each of those countries, and
- **For additional products** – the countries where the enrolled affiliate or its affiliates run those copies of the additional products covered by that order and the approximate number of copies run in each of those countries.

This information is for our internal use only and does not change the prices we provide for the products licensed under this agreement.

3. *How to order enterprise product licenses.*

a. *Placing the initial order.* Each enrolled affiliate must submit an initial order for the enterprise products it selects on its enrollment. Except as provided in the following paragraph, the order must be for L&SA for all enterprise products.

When is the enrolled affiliate eligible to order only Software Assurance for an enterprise product? An enrolled affiliate may order Software Assurance for the enterprise products it selects without the need to simultaneously order a License if the enrolled affiliate or any of the affiliates in its enterprise have obtained perpetual licenses for that product on an enterprise-wide basis under a previous "Enterprise Enrollment" (defined below), and the new enrollment becomes effective no later than the day following the date of expiration of that "Enterprise Enrollment." The Software Assurance order must be for the number of qualified desktops covered as of the

expiration of that "Enterprise Enrollment." For all other qualified desktops included in an enrollment submitted under this agreement, the enrolled affiliate must order L&SA.

The term "Enterprise Enrollment," as used in this section 3, means (i) a Microsoft Enterprise Select Agreement; (ii) an enterprise enrollment under a separate Microsoft Select Master Agreement or Microsoft Enterprise Agreement; (iii) any enterprise subscription enrollment entered into under a separate Microsoft Enterprise Subscription Agreement; or (iv) any other enrollment submitted under the Microsoft Enterprise Agreement identified on the cover page.

- b. Adding new enterprise products.** An enrolled affiliate may only add new enterprise products by entering into a new enrollment.
- c. Placing annual "true up" orders to account for additional desktops.** Each enrolled affiliate must determine the current number of qualified desktops in its enterprise: (i) at each anniversary of the effective date of its enrollment (including anniversaries during any renewal); and, (ii) at the expiration or early termination of its enrollment.
 - **If the desktop count has increased.** If the number of qualified desktops has increased, the enrolled affiliate must submit an order for L&SA covering those additional desktops. The enrolled affiliate must place the order within 15 days following the anniversary of the enrollment effective date, expiration or termination.
 - **If the desktop count has not increased.** If the number has not increased, the enrolled affiliate must submit an update statement confirming this fact on the form we provide within that 15-day period.
- d. Reorganizations, Consolidations, and Privatizations.** If the number of qualified desktops in an enterprise changes by more than ten percent as a result of an reorganization, consolidation, or privatization, we will work with the enrolled affiliate in good faith to determine how to accommodate its changed circumstances in the context of this agreement. If an enrolled affiliate consolidates with a customer with an existing "Enterprise Enrollment," we will work with the enrolled affiliate in good faith to accommodate its changed circumstances in the context of this agreement.

4. How to order additional product licenses.

- a. Placing the initial order.** Each enrolled affiliate must submit an initial order for the additional products it has selected, if any, on its enrollment. Except as provided in the following paragraph, the order must be for L&SA for all copies of those additional products.

When is the enrolled affiliate eligible to order only Software Assurance for an additional product? An enrolled affiliate may order Software Assurance for additional products it selects without the need to simultaneously order a License if the enrolled affiliate or any of the affiliates it includes in its enterprise has obtained perpetual licenses for those products with Upgrade Advantage, Software Assurance or any similar upgrade protection, and the new enrollment becomes effective no later than one day following the expiration of that upgrade protection. The order may be for up to the number of copies covered by such upgrade protection. An enrolled affiliate may also order Software Assurance alone in any other circumstances expressly permitted in the Product List. For all other copies included in an enrollment submitted under this agreement, the enrolled affiliate must order L&SA.

- b. Adding new additional products not previously ordered.** Each enrolled affiliate may, during the remainder of the applicable initial enrollment or renewal term, run new additional products under its enrollment that were not part of the initial order. To do so, the enrolled affiliate must order L&SA in the month in which the product is first run, covering all copies of that product run as of the date of the order. For any additional copies of that product run after the date of that order, the enrolled affiliate must submit orders as described in subsection 4(c) (Placing annual "true up" orders to account for additional copies) below.

- c. Placing annual "true up" orders to account for additional copies.** Each enrolled affiliate may, during the remainder of the applicable initial enrollment or renewal term, run additional copies of those additional products it previously ordered under subsections (a) and (b), provided that the enrolled affiliate places a true up order for L&SA for those additional copies. The enrolled affiliate must submit an order within 15 days after the next anniversary of the effective date of the enrollment (including anniversaries occurring during any renewal) following the date on which those copies were first run. For additional copies first run in the year in which an enrollment expires or is terminated, the enrolled affiliate must submit an order within 15 days following the expiration or termination date.
- d. Update statements.** Each enrolled affiliate must submit an update statement within 15 days following each anniversary of the effective date of its enrollment, and after expiration or termination of its enrollment, on a form we provide, unless that enrolled affiliate (i) is running only enterprise products under its enrollment, and (ii) it is not otherwise required to submit an update statement under subsection 3(c) (Placing "true up" orders to account for additional desktops) above.

5. How to confirm orders.

We will publish information about orders placed by each enrolled affiliate, including an electronic confirmation of each order, on a secure site on the World Wide Web at <http://licensing.microsoft.com> or a successor site that we identify.

6. License grant – what your enrolled affiliates are licensed to run.

Upon our acceptance of the enrollment, the enrolled affiliate has the following rights during the term of its enrollment.

- **For enterprise products.** The enrolled affiliate may run one copy of the latest version (or any prior version) of each enterprise product, on each qualified desktop. By including affiliates in its enterprise, the enrolled affiliate sublicenses this right to each of them subject to the terms of this agreement.
- **For additional products.** The enrolled affiliate may run the number of copies of each additional product ordered in the latest version (or any prior version). If an affiliate included in any enrolled affiliate's enterprise runs any copies of an additional product under this agreement, those copies are sublicensed from that enrolled affiliate subject to the terms of this agreement.

The right to run any product licensed under an enrollment is temporary until:

- (i) the enrolled affiliate has paid all installments of the price for that product license and the applicable initial enrollment or renewal term during which that product license was ordered has expired or been renewed, or
- (ii) the enrolled affiliate is otherwise entitled to perpetual licenses upon early termination as provided in subsection 11(c) (Termination of an enrollment).

Thereafter, the enrolled affiliate will have perpetual licenses to run the latest version available as of such date of expiration, renewal or termination (or any prior version), of each enterprise product in a number of copies equal to the total number of qualified desktops covered by the enrollment; and each additional product in the number of copies ordered during the applicable initial enrollment term or renewal term. In the case of early termination as provided in subsection 11(c) (Termination of an enrollment), if an enrolled affiliate chooses only to pay amounts due and payable as of the termination date, then the enrolled affiliate will instead have perpetual licenses for the number of copies specified in subsection 11(d) (Effect of termination or expiration).

Any perpetual licenses received through Software Assurance supersede and replace the underlying perpetual licenses for which that Software Assurance coverage was ordered. All perpetual licenses

acquired under this agreement remain subject to the terms of this agreement and the applicable product use rights.

This agreement, the applicable enrollment, the enrolled affiliate's order confirmation described in section 5 (How to confirm orders) above, and any documentation evidencing transfers of licenses as described in subsection 10(a) (How to transfer), together with proof of payment, will be the enrolled affiliate's evidence of all licenses obtained under its enrollment.

7. How to know what product use rights apply.

Except as otherwise described below, an enrolled affiliate's use of any product that it licenses from us is governed by product use rights specific to each product and version. The product use rights applicable to products licensed under each enrollment are as follows.

- a. For latest versions available as of an enrollment effective date.** For the latest version of any product available on or before the enrollment effective date, the product use rights in effect on the enrollment effective date for that product and version apply.
- b. For versions and products that become available after an enrollment effective date.** For any version of any existing product, or any new product, first made available after the enrollment effective date, the product use rights in effect on the date on which the version or product first becomes available apply (subject to our commitment on use rights below).
- c. For versions of a product that predate the latest version available as of an enrollment effective date.** If an enrolled affiliate is using a version of any product licensed under its enrollment that became available prior to the version that was current on the enrollment effective date, the enrolled affiliate's use of the earlier version will be governed by the product use rights that would apply if the enrolled affiliate were using the version licensed under the enrollment, or in the case of Software Assurance or L&SA, the latest version that is or becomes available at any time during its enrollment.
- d. Microsoft's commitment on use rights.**

For all products – use rights fixed by version. We will not change an enrolled affiliate's product use rights under this agreement for any version of a product after it becomes available to that enrolled affiliate under its enrollment.

For enterprise products – no detrimental use right changes in new versions.

- (i) For new versions made available during the initial enrollment term.** If we make available a new version of any enterprise product during the initial enrollment term and that new version is subject to certain use rights that are more restrictive than those that applied to a prior version under an enrollment that was or became available during the initial enrollment term, the enrolled affiliate may run that new version without being subject to those certain more restrictive use rights.
- (ii) For new versions made available during each renewal term.** Upon each renewal of Software Assurance for an enterprise product, an enrolled affiliate's use of that product will be governed by the use rights that apply to the latest version of that product available as of the date of that renewal, including any terms that are more restrictive than those that applied to a previous version of that product licensed by that enrolled affiliate under its enrollment during the preceding term. However, if during a renewal term we make available a new version of that same enterprise product with certain use rights more restrictive than those use rights that applied to a prior version licensed under an enrollment that was or became available during that same term, the enrolled affiliate may run the new version without being subject to those certain more restrictive use rights.

- (iii) **New features or functionality.** The right described in subsections (i) and (ii) above does not apply to product use rights that relate specifically to new features or functionality added to a new version.

We will provide each enrolled affiliate with a copy of the applicable product use rights or will make them available either by publication on the World Wide Web at a site we identify or by some other reasonable means. You acknowledge that you and your affiliates have access to the World Wide Web. We do not transfer any ownership rights in any licensed product, and we reserve all rights not expressly granted. In lieu of your obligation to indemnify us under various provisions of the product use rights, you will be responsible for any cost or damages arising from any claim to which your indemnity obligation would otherwise apply.

8. Software Assurance Membership.

Throughout the term of its enrollment (including any renewal), each enrolled affiliate automatically qualifies as a member of Microsoft's Software Assurance Membership program. Membership may entitle the enrolled affiliates to special benefits. For a description of these benefits, an enrolled affiliate should consult its reseller or Microsoft account manager.

9. Making copies of software.

- a. Copies necessary for internal deployment.** Each enrolled affiliate may make as many copies of the products licensed under its enrollment as necessary to distribute the products to the users within its enterprise. All copies of any product must be true and complete copies (including copyright and trademark notices) and be made from CD-ROMs, disk sets or a network source, acquired from or made available by a Microsoft approved fulfillment source for that product. Each enrolled affiliate may also have a third party make and distribute copies in its place, but the enrolled affiliate is responsible for third-party actions to the same extent it would be if the third party were its employee. You and your affiliates must make reasonable efforts to make employees, agents and other individuals running a product aware that the product is licensed from us and may only be run or transferred subject to the terms of this agreement.
- b. Copies for training, evaluation and back-up.** During the term of its enrollment (including any renewal), each enrolled affiliate and any affiliate included in its enterprise may (i) run up to 20 complimentary copies of any additional product in a dedicated training facility on their premises; (ii) run up to 10 complimentary copies of any product that we make available to license as an additional product for a 60-day evaluation period; and (iii) make and retain one complimentary copy of any licensed product for back-up or archival purposes for each of their distinct geographic locations.
- c. Re-imaging rights.** If an enrolled affiliate or any affiliate included within its enterprise has licensed products from an original equipment manufacturer (OEM), through a retail source or under any Microsoft program other than this Enterprise Agreement program, it may use copies made from the media provided under the enrolled affiliate's enrollment in place of any copies made from the media provided through that separate source, so long as it complies with the following restrictions.
- (i) The enrolled affiliate must have obtained a separate license from the separate source for each copy being replaced.
 - (ii) The product, language, version and all components (in the case of product suites, such as Office) of the copies made from the media provided under an enrollment must be identical to the product, language, version and all components of the copies they replace.
 - (iii) In the case of copies licensed from an original equipment manufacturer (OEM) or through a retail source, in addition to the other conditions outlined in this subsection 9(c), the product type (e.g. upgrade or full license) of the copies made from the media provided under an enrollment must be identical to the product type of the copies they replace. However, an

enrolled affiliate may use copies of a desktop operating system made from the media provided under its enrollment in place of copies of the same desktop operating system obtained from a separate source, even though they may be of different types (i.e. one may be an upgrade and the other a full license), provided that the product, language and version are identical.

The use of any copies made under this subsection 9(c) is subject to the terms and use rights provided with the copies being replaced, and nothing in this section creates or extends any warranty or support obligation.

10. Transferring licenses.

- a. How to transfer.** An enrolled affiliate may transfer perpetual licenses ordered under an enrollment to an affiliate, or to an unaffiliated third party in connection with a privatization, as long as the enrolled affiliate provides us with prior written and signed notice, on a form that we provide, that includes: (i) the applicable enrollment number; (ii) the quantity of licenses being transferred by product and version; (iii) the name, address and contact information of the transferee; and (iv) any other information that we may reasonably request.

For all other transfers of licenses, our written consent is required. We will not withhold our consent unreasonably. No license transfer will be valid unless the transferee accepts in writing the applicable product use rights, use restrictions, limitations of liability, and the transfer restrictions in this section 10. Any transfer made in violation of the requirements or restrictions of this section will be void.

- b. When transfers are not permitted.** An enrolled affiliate may not transfer (i) licenses on a short-term basis, (ii) temporary rights to use products, (iii) Software Assurance coverage, (iv) perpetual licenses for any version of any product acquired through Software Assurance separately from the underlying perpetual licenses for which that Software Assurance coverage was ordered; or (v) upgrade licenses for a desktop operating system product separately from the underlying desktop operating system license or from the computer system on which the product is first installed.

11. Term, termination and renewal.

- a. Term.** This agreement will remain in effect unless it is terminated by either party as described below. Each enrollment will have the term provided in that enrollment.

- b. Termination of this agreement.** Either party may terminate this agreement for any reason upon 60 days written notice.

Effect of termination. Such termination will merely terminate either party's and its affiliates' ability to enter into new enrollments under this agreement. Such termination will not affect any enrollment not otherwise terminated, and any terms of this agreement applicable to any enrollment not otherwise terminated will continue in effect with respect to that enrollment.

- c. Termination of an enrollment.** Either party to an enrollment may terminate it if the other party materially breaches its obligations under this agreement, including any obligation to submit orders or pay amounts owed (even if such non-payment is caused by non-appropriation of funds). If we terminate an enrollment, we may also terminate this agreement and all other enrollments under it. Except where the breach is by its nature not curable within 30 days, the terminating party must give the other party 30 days notice and opportunity to cure. If we give such notice to an enrolled affiliate, we will give you a copy of that notice as well. If an enrolled affiliate ceases to be your affiliate, you must promptly notify us of this fact, and we may terminate its enrollment.

- d. Effect of termination or expiration.** Upon expiration or termination of any enrollment, the enrolled affiliate must order licenses for all copies of products it or its affiliates have run under its enrollment for which the enrolled affiliate has not previously submitted an order. Except as provided in the next paragraph, in the event of termination, all unpaid installments of the purchase

price for any licenses will immediately become due and payable, and the enrolled affiliate will be entitled to perpetual licenses only after all such payments have been made.

If (i) an enrolled affiliate terminates its enrollment as a result of our breach, (ii) we terminate an enrolled affiliate's enrollment because it has ceased to be your affiliate, or (iii) we terminate an enrollment for non-payment due to non-appropriation of funds, then the enrolled affiliate will have the following options. It may immediately pay the total remaining amount due, including all installments, in which case the enrolled affiliate will have perpetual licenses for all copies of the products it has ordered. As an alternative, it may pay only amounts due and payable as of the termination date, in which case the enrolled affiliate will have perpetual licenses for (i) all copies of all products for which payment has been made in full, and (ii) the number of copies of products for which payment has been made in installments that is proportional to the amount that has been paid as of the termination date.

- e. **How to renew an enrollment.** We will provide each enrolled affiliate with 60 days prior written notice of expiration of its enrollment or renewal term advising it of its renewal options. An enrolled affiliate may have the option to renew its enrollment for successive terms of 12 or 36 full calendar months. We and our affiliates will not unreasonably reject any renewal order. However, we may make a change to the Enterprise Agreement program that will make it necessary for you and your enrolled affiliates to enter into new agreements and enrollments.

Placing renewal orders. To renew, the enrolled affiliate must submit a renewal order within 30 days after the previous term expired. The renewal order must be for Software Assurance for (i) all enterprise products previously ordered for all qualified desktops in the enrolled affiliate's enterprise as of the date of each renewal order, and (ii) all copies of additional products for which the enrolled affiliate elects to renew Software Assurance. An enrolled affiliate may not add new enterprise products not previously ordered during the initial term as part of its renewal; to license new enterprise products it must submit a new enrollment.

Consequences of non-renewal. If the enrolled affiliate elects not to renew its enrollment or Software Assurance for any additional product under its enrollment, and it otherwise allows Software Assurance for any copies of any products licensed under its enrollment to lapse, then the enrolled affiliate will not be permitted to order Software Assurance for such copies later without first acquiring L&SA.

12. Restrictions on use.

An enrolled affiliate may not:

- Separate the components of a product made up of multiple components (in the case of product suites, such as Office) by running them on different computers, by upgrading or downgrading them at different times, or by transferring them separately, except as otherwise provided in the product use rights;
- Rent, lease, lend or host products, except where we agree by separate agreement;
- Reverse engineer, de-compile or disassemble products, except to the extent expressly permitted by applicable law despite this limitation; or
- Transfer licenses to, or sublicense, products to the U.S. Government.

Products licensed under this arrangement are of US-origin unless otherwise indicated by us. You agree to comply with all applicable international and national laws that apply to these products, including the U.S. Export Administration Regulations, as well as end-user, end-use and country destination restrictions issued by U.S. and other governments. For additional information on exporting Microsoft products, see <http://www.microsoft.com/exporting/>.

13. Confidentiality.

Subject to the requirements of your public records law, if any, the terms and conditions of this agreement are confidential. Neither you nor we will disclose such terms and conditions, or the substance of any discussions that led to them, to any third party other than your or our affiliates or agents, or to your designated or prospective resellers who: (a) have a need to know such information to assist in carrying out this agreement; and (b) have been instructed by you or us that all such information is to be handled in strict confidence.

14. Warranties.

- a. Limited product warranty.** We warrant that each version of a product will perform substantially in accordance with our user documentation. This warranty is valid for a period of 90 days from the date an enrolled affiliate first runs a copy of the version. To the maximum extent permitted by law, any warranties imposed by law concerning the products are limited to the same extent and the same 90-day period. This warranty does not apply to components of products that an enrolled affiliate is permitted to redistribute under applicable product use rights, or if failure of the product has resulted from accident, abuse or misapplication. If you notify us within the warranty period that a product does not meet this warranty, then we will, at our option, either (i) return the price paid for the product or (ii) repair or replace the product. To the maximum extent permitted by law, this is your exclusive remedy for any failure of any product to function as described in this subsection.
- b. NO OTHER WARRANTIES.** TO THE EXTENT PERMITTED BY APPLICABLE LAW, WE DISCLAIM AND EXCLUDE ALL REPRESENTATIONS, WARRANTIES AND CONDITIONS, WHETHER EXPRESS, IMPLIED OR STATUTORY, OTHER THAN THOSE IDENTIFIED EXPRESSLY IN THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, SATISFACTORY QUALITY, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE PRODUCTS OR RELATED MATERIALS. WE WILL NOT BE LIABLE FOR ANY SERVICES OR PRODUCTS PROVIDED BY THIRD PARTY VENDORS, DEVELOPERS OR CONSULTANTS IDENTIFIED OR REFERRED TO YOU BY US UNLESS SUCH THIRD-PARTY PRODUCTS OR SERVICES ARE PROVIDED UNDER WRITTEN AGREEMENT BETWEEN YOU AND US, AND THEN ONLY TO THE EXTENT EXPRESSLY PROVIDED IN SUCH AGREEMENT.

15. Defense of infringement claim.

We will defend you against any claim by an unaffiliated third party that any product infringes its patent or copyright, and will pay the amount of any resulting adverse final judgment (or settlement to which we consent) subject to subsection 16(a) below. You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance in defending the claim, and we will reimburse you for reasonable out of pocket expenses that you incur in providing that assistance.

Our obligations will not apply to the extent that the claim or adverse final judgment is based on (i) your running of the product after we notify you to discontinue running due to such a claim; (ii) your combining the product with a non-Microsoft product, data or business process; (iii) use of, or access to, the product by any person or entity other than an employee of you or one of your affiliates; (iv) your altering the product; or (v) your distribution of the product to an unaffiliated third party (though nothing in this paragraph (v) authorizes such distribution). You will be responsible for any costs or damages that result from these actions.

If we receive information concerning an infringement claim related to a product, we may, at our expense and without obligation to do so, either (i) procure for you the right to continue to run the allegedly infringing product, or (ii) modify the product or replace it with a functional equivalent, to make it non-infringing. In which case you will stop running the allegedly infringing product immediately. If, as a result of an infringement claim, your use of a product is enjoined by a court of competent jurisdiction, we will use

commercially reasonable efforts to either procure the right to continue its use, replace it with a functional equivalent, or modify it to make it non-infringing.

If any other type of third party claim is brought against you regarding our intellectual property, you must notify us promptly in writing. We may, at our option, choose to treat these claims as being covered by this section.

16. Limitation of liability.

- a. Limitation.** There may be situations in which you or an enrolled affiliate have a right to claim damages or payment from us. Except as otherwise specifically provided in this subsection, whatever the legal basis for the claims, our liability will be limited, to the maximum extent permitted by applicable law, to direct damages up to the amount you or the enrolled affiliate have paid for the product giving rise to the claims. In the case of our responsibilities with respect to third-party patent or copyright infringement claims, our obligation to defend such claims will not be subject to the preceding limitation, but our liability to pay damages awarded in any final adjudication (or settlement to which we consent) will be. In the case of free product or code you or an enrolled affiliate are authorized to redistribute to third parties without separate payment to Microsoft, our total liability to you or the enrolled affiliate will not exceed US\$5000. The limitations contained in this subsection will not apply with respect to our obligations under section 13 (confidentiality).
- b. No liability for certain damages.** To the maximum extent permitted by applicable law, neither party nor any of its affiliates or suppliers will be liable for any indirect damages (including, without limitation, consequential, special or incidental damages, damages for loss of profits or revenues, business interruption, or loss of business information) arising in connection with any agreement, product or service, even if advised of the possibility of such damages or if such possibility was reasonably foreseeable. This exclusion of liability does not apply to either party's liability to the other for violation of its confidentiality obligation or of the other party's intellectual property rights.
- c. Application.** The limitations on and exclusions of liability for damages in this agreement apply regardless of whether the liability is based on breach of contract, tort (including negligence), strict liability, breach of warranties, or any other legal theory.

17. Verifying Compliance.

You must keep records relating to the products you and any affiliate run. We have the right to verify compliance, at our expense, during the term of this agreement and for a period of one year thereafter. To do so, we will engage an independent accountant from a nationally recognized public accounting firm, which will be subject to a confidentiality obligation. Verification will take place upon not fewer than 15 days notice, during normal business hours and in a manner that does not interfere unreasonably with your operations. As an alternative, we may require you to accurately complete our self-audit questionnaire relating to the products you and any affiliates use. If verification or self-audit reveals unlicensed use of products, you must promptly order sufficient licenses to permit all product usage disclosed. If material unlicensed use is found (license shortage of 5% or more), you must reimburse us for the costs we have incurred in verification and acquire the necessary additional licenses as single retail licenses within 30 days. If we undertake such verification and do not find material unlicensed use of products, we will not undertake another verification of the same entity for at least one year. We and our auditors will use the information obtained in compliance verification only to enforce our rights and to determine whether you are in compliance with the terms of this agreement. By invoking the rights and procedures described above, we do not waive our rights to enforce this agreement or to protect our intellectual property by any other means permitted by law.

18. Miscellaneous.

- a. **Notices.** All notices, authorizations, and requests given or made in connection with this agreement must be sent by post, express courier, facsimile, or email to the addresses and numbers indicated in the applicable cover page to this agreement. Notices will be deemed delivered on the date shown on the postal return receipt or on the courier, facsimile or email confirmation of delivery.
- b. **Assignment.** This agreement may be assigned by either party only to an affiliate, but assignment will not relieve the assigning party of its obligations under the assigned agreement. If either party assigns this agreement or any enrollment, it must notify the other party of the assignment in writing.
- c. **Severability.** If a court holds any provision of this agreement to be illegal, invalid or unenforceable, the remaining provisions will remain in full force and effect and the parties will amend this agreement to give effect to the stricken clause to the maximum extent possible.
- d. **Waiver.** No waiver of any breach of this agreement shall be a waiver of any other breach, and no waiver shall be effective unless made in writing and signed by an authorized representative of the waiving party.
- e. **Force Majeure.** To the extent that either party's performance is prevented or delayed, either totally or in part, for reasons beyond that party's control, then that party will not be liable, so long as it resumes performance as soon as practicable after the reason preventing or delaying performance no longer exists.
- f. **Note on Java Support.** The products may contain support for programs written in Java. Java technology is not fault tolerant and is not designed, manufactured, or intended for use or resale as online control equipment in hazardous environments requiring fail-safe performance, such as in the operation of nuclear facilities, aircraft navigation or communication systems, air traffic control, direct life support machines, or weapons systems, in which the failure of Java technology could lead directly to death, personal injury, or severe physical or environmental damage. *Sun Microsystems, Inc. has contractually obligated Microsoft to make this disclaimer.*
- g. **Limitations on actions.** Except for any different period required by applicable law, any action arising under this agreement must be brought within two years from the date that the cause of action arose.
- h. **Entire agreement.** The documents identified on the cover page to this agreement constitute the entire agreement concerning the subject matter and supersede any prior or contemporaneous communications. The terms of these documents control in the following order: (i) these terms and conditions and the accompanying cover page (except under circumstances where an outsourcer enrollment is used, in which case the terms of the outsourcer enrollment control over these terms and conditions); (ii) the Product List; (iii) the product use rights; and (iv) all other enrollments under this agreement. The terms of any purchase order or any general terms and conditions you or your affiliates maintain, other than those mandatory terms required by statute or regulation, do not apply. This agreement (except the product use rights and the Product List) can be changed only by an amendment signed by both parties.
- i. **Survival.** Provisions regarding product use rights, restrictions on use, evidence of perpetual licenses, transfer of licenses, warranties, limitations of liability, confidentiality, compliance verification and obligations on termination or expiration will survive termination or expiration of this agreement or any enrollment.
- j. **Independent contractors.** Resellers are independent contractors who act in their own name and for their own account; they have no authority to bind or impose any obligation or liability upon us.

- k. Applicable law; Dispute resolution.** The terms of this agreement will be governed by the laws of your state, without giving effect to its conflict of laws. Disputes relating to this agreement will be subject to applicable dispute resolution laws of your state.
- l. Copyright Violation.** Except to the extent you are licensed under this agreement, you will be responsible for your violation of our copyright in the products, including payment of license fees specified in this agreement for unlicensed use.

Microsoft Enterprise **Agreement – Amendment**

Enterprise Agreement
number
Microsoft affiliate to complete



This amends the Microsoft State and Local Government Enterprise Agreement identified above between the State of Iowa and MSLI, GP (the "agreement"). All terms used but not defined in this amendment will have the meanings assigned to such terms in the agreement.

I. Amendment.

1. Section 13 of the agreement, **Confidentiality**, is hereby amended and restated as follows:

Subject to the requirements of your public records law, if any, the terms and conditions of this agreement are confidential. Neither you nor we will disclose such terms and conditions, or the substance of any discussions that led to them, to any third party other than your or our affiliates or agents, or to your designated or prospective resellers who (a) have a need to know such information to assist in carrying out this agreement; and (b) have been instructed by you or us that all such information is to be handled in strict confidence. *The laws of Iowa require that the contents of this contract be placed in the public domain and be opened to inspection by interested parties. -- Iowa Code chapter 22, Iowa Open Records Law.*

2. Section 18k of the agreement, **Applicable law; Dispute resolution**, is hereby amended and restated as follows:

k. Applicable law; Dispute resolution. The terms of this agreement will be governed by the laws of your state, without giving effect to its conflict of laws. Disputes relating to this agreement will be subject to applicable dispute resolution laws of your state. *This provision shall not be construed as waiving any immunity to suit or liability, which may be available to the State. Any action arising out of or related to this Agreement must be brought within one (1) year from the first date such cause of action arose, despite any longer period provided by statute. If a longer period is provided by statute, the parties hereby expressly waive it.*

3. Sections 18m and n are added to the agreement as follows:

m. Non-Appropriations. *Notwithstanding any other provision of this Contract, if funds anticipated for the continued fulfillment of the Contract are, at any time, not forthcoming or are insufficient, either through the failure of the State to appropriate funds or funding from a federal funding source is reduced or discontinued for any reason, or through discontinuance or material alteration of the program for which funds were provided, the State shall give the Vendor written notice as soon as practical documenting the lack of funding, discontinuance or program alteration. Unless otherwise agreed to by the parties, the Agreement shall terminate on the last day of the fiscal year for which appropriations were available. However, in the event that an appropriation to cover the cost of this Contract becomes available within sixty (60) days subsequent to termination under this section, the State agrees to re-enter the Agreement with the terminated Vendor under the same provisions, terms and*

conditions as the original Contract. In the event that no appropriation should become available within this 60 day period, the terms of section 11d shall then apply.

- n. Sovereign Immunity.** The State specifically reserves the defense of sovereign immunity as allowed by State or federal law or regulations for any claim arising out of or related to the duties and obligations imposed by this Contract.

5. A new Section 18(o), special reference prices during open enrollment period, is hereby added to the Enterprise Agreement, as follows:

- a. Additional definitions.** The following additional definitions shall apply to this Section 18(o):

"Aggregate CAL Desktop Count" means the aggregate number of qualified desktops under Enterprise Enrollments associated herewith for which any combination of the following products has been chosen as an enterprise product as of the Offer Deadline: (i) Microsoft BackOffice Client Access License ("BackOffice CAL"); or (ii) Microsoft Core Client Access License ("Core CAL");

"Aggregate Desktop Count" means the Aggregate CAL Desktop Count, Aggregate Office Desktop Count, and/or Aggregate Windows Desktop Count, as applicable;

"Aggregate Office Desktop Count" means the aggregate number of qualified desktops under Enterprise Enrollments associated herewith for which either (i) Microsoft Office Standard Edition ("Office Standard") or (ii) Microsoft Office Professional Edition ("Office Professional") has been chosen as an enterprise product as of the Offer Deadline;

"Aggregate Windows Desktop Count" means the aggregate number of qualified desktops under Enterprise Enrollments associated herewith for which the Microsoft Windows Professional desktop operating system has been chosen as an enterprise product as of the Offer Deadline;

"CAL Family" means any of the following enterprise products: (i) BackOffice CAL; and/or (ii) Core CAL;

"Component Product" means any enterprise product listed on the table on Attachment A hereto;

"Initial Desktop" means, with respect to any Enterprise Enrollment, the number of qualified desktops enrolled under such Enrollment as of its effective date;

"Microsoft BackOffice Client Access License" and "BackOffice CAL" means each of the following Client Access Licenses, when purchased together as a suite: (i) Windows CAL; (ii) Exchange CAL; (iii) SQL CAL; and (iv) SMS CAL; and is available only to SA only enrollments;

"Microsoft Core Client Access License" and "Core CAL" means each of the following Client Access Licenses, when purchased together as a suite: (i) Windows CAL; (ii) Exchange CAL; (iii) SharePoint CAL; and (iv) SMS CAL;

"Non-Platform Enrollment" means any Enterprise Enrollment associated herewith which is not a Platform Enrollment;

"Offer Deadline" means August 31, 2002;

"Office Family" means either of the following enterprise products: (i) Office Professional; or (ii) Office Standard;

"Open Enrollment Period" means the period which begins on June 1, 2002, and which ends on the Offer Deadline;

"Participating Affiliate" means and eligible affiliate which executes an Enterprise Enrollment during the Open Enrollment Period;

"Platform Enrollment" means any Enterprise Enrollment associated herewith for which each of the following is a chosen enterprise product:

- (I) either (i) Office Standard or (ii) Office Professional; and
- (II) Microsoft Windows Professional desktop operating system;
- and
- (III) either (iii) BackOffice CAL or (iv) Core CAL

"Pre-Deadline Volume Level" means, with respect to a particular Product Family, the price level by which the reference prices for enterprise products in such Product Family, for Enterprise Enrollments executed during the Open Enrollment Period, shall be determined as set forth in this Section 18(o); and

"Product Family" means any of the following collections of enterprise products, as defined in this Section 18(o): (i) Office Family; (ii) Windows Family; and/or (iii) CAL Family;

"Post-Deadline Volume Level" means, with respect to a particular Product Family, the price level by which the reference prices for enterprise products in such Product Family, for Enterprise Enrollments executed after the Offer deadline, shall be determined as set forth in this Section 18(o); and

"Windows Family" means the following enterprise product" Microsoft Windows Professional desktop operating system.

b. Determination of Pre and Post-Deadline Volume Level.

The Pre-Deadline Volume Level for the Office Family shall be determined based upon the Aggregate Office Desktop Count, according to the table in the following paragraph. The Pre-Deadline Volume Level for the Windows Family shall be determined by the Aggregate Windows Desktop Count, according to the table in the following paragraph. And the Pre-Deadline Volume Level for the CAL Family shall be determined by the Aggregate CAL Desktop Count, according to the table in the following paragraph.

The following table shall be used to determine the Pre-Deadline Volume Levels for each of the Product Families:

Pre-Deadline Volume Level	Aggregate Desktop Count
Pre-Deadline Volume Level A	Between 250 and 2,399 qualified desktops
Pre-Deadline Volume Level B	Between 2,400 and 5,999 qualified desktops

Pre-Deadline Volume Level C	Between 6,000 and 14,999 qualified desktops
Pre-Deadline Volume Level D	Between 15,000 or more qualified desktops

The Post-Deadline Volume Level for the Office Family shall be determined based upon the Aggregate Office Desktop Count, according to the table in the following paragraph. The Post-Deadline Volume Level for the Windows Family shall be determined by the Aggregate Windows Desktop Count, according to the table in the following paragraph. And the Post-Deadline Volume Level for the CAL Family shall be determined by the Aggregate CAL Desktop Count, according to the table in the following paragraph.

The following table shall be used to determine the Post-Deadline Volume Levels for each of the Product Families:

Post-Deadline Volume Level	Aggregate Desktop Count	Corresponding Enterprise Agreement Volume Level
Post-Deadline Volume Level A	Between 250 and 2,399 qualified desktops	A
Post-Deadline Volume Level B	Between 2,400 and 5,999 qualified desktops	B
Post-Deadline Volume Level C	Between 6,000 and 14,999 qualified desktops	C
Post-Deadline Volume Level D	15,000 or more qualified desktops	D

c. Determination of reference prices.

For Non-Platform Enrollments signed During the Open Enrollment Period, the following shall apply:

- the Year 1 per-desktop reference price for each enterprise product covered by each such Non-Platform Enrollment, for each Initial Desktop irrespective of the number of qualified desktops under such Enrollment, shall be determined according to the Table at Part 1 of Attachment A;*
- the Year 2 and Year 3 per-desktop reference prices, respectively, for each enterprise product covered by each such Non-Platform Enrollment, for each Initial Desktop, shall be determined based upon the Pre-Deadline Volume Level for the Product Family in which each such enterprise product is contained, according to the Table at Part 1 of Attachment A;*

- The per-desktop true up reference price for each enterprise product covered by each such Non-Platform Enrollment, for each qualified desktop added to the Enrollment during the first, second and third years, respectively, of the term of such Enrollment, shall be determined based upon the Pre-Deadline Volume Level for the Product Family in which each such enterprise product is contained, according to the Tables at Parts 2, 3, and 4, respectively, of Attachment A.

For Platform Enrollments signed during the Open Enrollment Period, the following shall apply:

- the Year 1 per-desktop reference price for each enterprise product covered by each such Platform Enrollment, for each Initial Desktop irrespective of the number of qualified desktops under such Enrollment, shall be determined according to the Table at Part 1 of Attachment A, less a discount of fifteen percent (15%). Such 15% discount shall be applied to the sum of the reference prices of the individual enterprise product components.

For example, if the sum of the annual per-desktop reference prices for the enterprise products covered by a Platform Enrollment, as shown on Attachment A, is \$307.00, then the discount applied shall be

$$\{\$307.00 \times 15\% = \} \$46.05,$$

and the resulting annual per-desktop reference price for such enterprise products, in aggregate, shall be:

$$\{\$307.00 - \$46.05 = \} \$260.95;$$

- the Year 2 and Year 3 per-desktop reference prices, respectively, for each enterprise product covered by each such Platform Enrollment, for each Initial Desktop shall be determined based upon the Pre-Deadline Volume Level achieved by Participating Affiliates, pursuant to the terms and conditions of this Section 18(o), for the Product Family in which each such enterprise product is contained, according to the Table at Part 1 of Attachment A, less a discount of fifteen percent (15%);
- The per-desktop true up reference price for each enterprise product covered by each such Platform Enrollment, for each qualified desktop added to the Enrollment during the first, second and third years, respectively, of the term of such Enrollment, shall be determined based upon the Pre-Deadline Volume Level for the Product Family in which each such enterprise product is contained, according to the Tables at Parts 2, 3, and 4, respectively, of Attachment A, less a discount of fifteen percent (15%).

d. additional terms and conditions.

The parties acknowledge and agree that (i) the BackOffice CAL will not be offered in any Enterprise Enrollment after August 31, 2002 and prior to August 31, 2002, will be offered only on enrollments for SA only; and (ii) notwithstanding the date upon which this Enterprise Agreement expires or is otherwise terminated, the method listed above in this Section 18(o) by which reference prices shall be determined shall cease to apply on August 31 2002.

You acknowledge, on behalf of your enrolled affiliates, that the reference price (and therefore, presumably, the price the reseller, as such term "reseller" is defined in the agreement and remains effective herein, charges each such enrolled affiliate) for both (i)

the second and third annual payments, and (ii) true up payments at each anniversary, may increase pursuant to the terms of this Section 18(o). Such price increase for the payments stated above will result, with respect to an enrolled affiliate's Enterprise Enrollment, in the event that at least 2400 qualified desktops, in aggregate, are not enrolled in Enterprise Enrollments covering each of the Product Families (or the Product Family) covered by that enrolled affiliate's Enterprise Enrollment, during the Open Enrollment Period. It is recommended that affiliates not enter into Enterprise Enrollment hereunder unless (a) they are aware of such possibility that their price may increase as stated above; and (b) they anticipate that sufficient budget will be approved to cover such increased payment amount.

You acknowledge and agree that there may be certain instances in which certain Enterprise Enrollments executed by your affiliates, whether under this Enterprise Agreement or otherwise under a separate Enterprise Agreement or Enterprise Subscription agreement, may have unit reference prices other than those shown on Attachment A or otherwise priced pursuant to the terms of this Section 18(o). Such instances include, but are not limited to those Enterprise Enrollments: (i) that were executed prior to the Open Enrollment Period; (ii) that contain other enterprise products not shown on attachment A; (iii) for which we negotiate a special payment schedule or ramped installment payments upon the condition that the reference price of such Enrollment be uplifted to account for the time value of money; (iv) which renew previous expired Enterprise Enrollments and therefore qualify for renewal pricing; and (v) for which a special price is negotiated to match the equivalent Microsoft Select estimated retail price for sufficient licenses, Upgrade Advantage and/or Software Assurance to otherwise provide the equivalent license and upgrade rights provided pursuant to an Enterprise Enrollment.

Except as provided by the following paragraph, those terms of this Section 18(o) which were modified by Amendment One to this Enterprise Agreement, and which such terms specifically apply to special reference prices and adjustments thereto for enrollments signed after June 1, 2002, shall not apply to any Enterprise Enrollments which were executed prior to the execution of such Amendment One.


Reference prices are provided only for the purpose of comparison. Actual pricing and payment terms will be determined by agreement between each enrolled affiliate and its chosen reseller. We will provide each reseller with a list of reseller prices which corresponds to the reference prices in Attachment A.

II. Effect of Amendment.

Except as specifically amended by this amendment, all provisions of the agreement shall remain unchanged and in full force and effect. You must execute and return 2 copies of this amendment to the address below on or before ~~June 21, 2002~~ in order for the terms and conditions of this amendment to be considered by MSLI, GP.

June 25, 2002

MSLI, GP
Attn: Dept. 551, Volume Licensing
6100 Neil Road, Suite 210
Reno, NV 89511-1137



Name, Title		Name, Title	
By <u>P. Schroeder</u>		By _____	
Name, Title		Name, Title	
<u>Patti Schroeder, Deputy Director</u>		_____	
Date <u>6/25/02</u>		Date _____	

Prepared by: Forrest Silverman
Licensing Executive

State of Iowa - Local Government - Enterprise Agreement Pricing During Open Enrollment Period
Attachment A to Amendment One to Microsoft Enterprise Agreement

Part 1: Annual Payments for Initial Desktops

Office Family

Office Professional
Renewal

Windows Family

Windows Desktop Operating System Upgrades
Renewal

Client Access License Suites

BackOffice CAL/Core CAL Renewal
Core CAL

Annual Per-Desktop Reference Price, US Dollars				
Year 1	Years 2 and 3			
Any Quantity (Level B)	15,000 or more (Level D)	6,000-14,999 (Level C)	2,400-5,999 (Level B)	250-2,399 (Level A)
216.00	150.00	187.00	216.00	256.00
112.00	78.00	98.00	112.00	133.00
70.00	48.00	60.00	70.00	83.00
46.00	32.00	40.00	46.00	56.00
58.00	38.00	51.00	58.00	70.00
86.00	58.00	76.00	88.00	106.00

Part 2: Single True Up Payments for Desktops Added Year 1

Office Family

Office Professional

Windows Family

Windows Desktop Operating System Upgrades

Client Access License Suites

Core CAL

Annual Per-Desktop Reference Price, US Dollars				
	15,000 or more (Level D)	6,000-14,999 (Level C)	2,400-5,999 (Level B)	250-2,399 (Level A)
	623.00	565.00	697.00	841.00
	165.00	178.00	188.00	202.00
	210.00	231.00	244.00	264.00

Part 3: Single True Up Payments for Desktops Added Year 2

Office Family

Office Professional

Windows Family

Windows Desktop Operating System Upgrades

Client Access License Suites

Annual Per-Desktop Reference Price, US Dollars				
	15,000 or more (Level D)	6,000-14,999 (Level C)	2,400-5,999 (Level B)	250-2,399 (Level A)
	435.00	470.00	497.00	533.00
	129.00	140.00	147.00	157.00

Core CAL

	178.00	198.00	206.00	223.00

Part 4: Single True Up Payments for Desktops Added Year 3

Office Family

Office Professional

Windows Family

Windows Desktop Operating System Upgrades

Client Access License Suites

Core CAL

Annual Per-Desktop Reference Price, US Dollars				
	15,000 or more (Level D)	6,000-14,999 (Level C)	2,400-5,999 (Level B)	250-2,399 (Level A)
Office Professional	348.00	375.00	398.00	426.00
Windows Desktop Operating System Upgrades	93.00	100.00	106.00	114.00
Client Access License Suites				
Core CAL	145.00	160.00	169.00	183.00